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# West Europe Report

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17 JUNE 1986

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17 June 1986

DENMARK

POLITICAL

## FAEROES' GOVERNMENT LEADER ATLI DAM ON ISLANDS' PROBLEMS

## Austerity Prerequisite for Recovery

Copenhagen AKTUELT in Danish 22 Apr 86 pp 10-11

[Op Ed Article by Atli Dam: "Faeroes Today"]

[Text] The major exhibition "The Faeroe Islands in Focus" opens today. This article offers a current political and economic picture of the islands presented by the islands' leader.

The current week is under the sign of the Faeroe Islands.

"The Faeroe Islands in Focus" has set all sails for dominating the week's news and in that manner making the Faeroes more visible to people in Denmark.

Inattention to providing information about the last 30 years' radical process of change on the Faeroes has left many in Denmark with outdated notions of the Faeroe Islands and a weak impression of the Faeroes on the public conscience.

Positive forces in Denmark and on the Faeroe Islands want to change this and by means of words, pictures and sound, will attempt to present a nuance-full and accurate picture of the Faeroes in the year 1986.

Not a pretty picture of a conflict-free and static and tradition-bound society, but rather, of a modern society which for good and bad is dominated by rapid changes with all the steps forward, problems and contradictions which change brings with it.

The Faeroe Islands have both old and new--which is good--and which we want to show off because we believe that there is interest in this outside of our own islands. But the Faeroe Islands are in many ways a mini-model of other modern societies where the objective is not to hide the side effects of technological progress or the price of a welfare state.

For 600 years, Denmark and the Faeroe Islands were a constitutional unit. A unit which took on a new dimension in 1948 with the plan for independence--the home rule plan.

The intentions were that the Faeroe people should make decisions independently concerning their own situation and the plan thereby accommodated a desire among the inhabitants of the islands to create a society on their own premises.



The home rule law therefore must have seemed visionary at a time which was dominated by nationalistic narrow-mindedness, since it created a coexistence which made it possible for completely different types of people to make their own decisions and work together on an equal footing to solve practical endeavors for the common benefit.

It is not immodest to call the home rule law a Social Democratic invention, and the Faeroe Island Social Democratic Party, together with other parties, during the past 40 years have strengthened the arrangement by passing laws through the independent Faeroe Island parliament, "Lagtinget," thereby setting the parameters for progressive development in the modern welfare society.

The real test of the home rule arrangement's utility is the flexibility which makes possible the passing of new rules within the framework of the law in order to accommodate the fact that the world and the Faeroe society are on the move.

The arrangement has lived up to these expectations in a way which has enabled the Faeroe Islanders to have authority in a large number of areas which extend beyond the letter of the law and which involve various accepted customs, for example, that the Faeroe Islanders themselves will negotiate fishing agreements with other countries--with assistance from the foreign ministry when it is needed--but with an actual Faeroe Island decision-making authority.

In other areas, the anticipated trend toward complete Faeroe Island takeover of administrative and economic responsibilities has not been implemented, but the arrangement has been able to accommodate these developments as well.

Denmark and the Faeroes can be proud that an innovation in international relations throughout the years has awakened notice among human rights groups, and in certain cases, has inspired others. There are those who believe that the arrangement in many areas provides greater real self-determination rights to the parties--especially the Faeroe Islanders--than the creation of two sovereign countries would have done.

Today, there are two real challenges in the Danish/Faeroes relationship which will demonstrate whether the parties still are able to find fruitful solutions.

The first is a reform of government subsidies to various societal endeavors of the Faeroe Islands, where percentage refunds of specific expenses are seen as being replaced by a weakened form of block grants. The second is the issue of negotiating a Faeroe Island constitution which will define clearly the decision-making authority concerning the pace of development in possible exploration and extraction of raw materials in the Faeroe Island underground and sea bottom.

The negotiations are only in their incipient stage. One therefore should not anticipate the circumstances with inflexible positions if just to emphasize that it is unavoidably necessary for the partners in the joint venture to find solutions which the parties can live with and solutions which will benefit all legitimate interests.

The Faeroe Islands are lacking in resources and therefore want controlling influence over their development.

With regard to the living resources which the sea can provide--fish, whales, birds, shellfish, etcetera--the Faeroes have found it necessary to develop a comprehensive expertise in the art of catching, preparing and marketing of the goods which are produced from these resources.

Even with the most extreme efforts toward diversification, there are limits, however, to how many threads can be spun in the overall Faeroe Island economy and economic management.

These are and will be very sensitive to competition and the demand for continued adjustments will remain strong since the various peaks in the competitive waves rarely remain up long enough to yield normal deductions to the business community, and since all industries are fish-related--with agriculture representing a very little degree of self-sufficiency--the Faeroe Island economy is strongly influenced by the economic dips which on the average last as long as the peaks.

Within the last 10 years, we have confronted two oil crises along with a total turnabout in the law of the sea, with the loss of our opportunities for choosing fields of operation.

Following the changes in 1977 with expanded fishing boundaries, the Faeroe Islanders--who previously had had the entire north Atlantic from the east coast of the United States to Novaja Semlja as their working territory--were suddenly required to pull in their boundaries to 200 nautical miles. While we experienced dramatic reductions in foreign fishing within Faeroe Island navigable waters, the change from distant fishing to coastal fishing caused serious structural problems within the fishing fleet, with a correspondingly large need for capital.

Even though the current "Faeroe Islands in Focus" exhibition is focused on creating greater awareness of the Faeroes, it cannot be said that it has given short shrift to a discussion of the Faeroe Island economy in recent years. As has been mentioned above, circumstances have created strong demand for capital and this in turn has brought with it an explosive growth in the Faeroe Islands' foreign debt and a lack of balance between this and overall productivity.

The problem is significantly more differentiated than as is presented in reports and through the media. The accuracy of the figures and statistics--which we ourselves put out--cannot be questioned any more than there is a basis for fighting too much about the need for a serious tightening of the belts, but the interpretations of the figures can be a bit more subtle.

The balance of payment deficit is caused, for example, not by increasing consumption but by a very high rate of investment--which again is viewed as being necessary if we are to have any possibility for producing our way out of the balance of payment problem. There is not a shadow of a chance for managing these cutback- and savings-politics alone. Only a combination of strict policies concerning private and public consumption, and an expansive investment policy for developing resources and additional processing of them, with related sales efforts, can bring about the revitalization.

Another interesting aspect of the Faeroe Island economy is that there is not a budget deficit and therefore no domestic national debt, along with very large debt-free real values in the private sector, particularly in the housing area.

A third feature is that resources are not being used for direct unemployment compensation--all measures directed toward solving unemployment are directed through investments in new jobs. This policy is implemented hand in hand with the trade union movement which does not have the same ties to political parties as in the other Scandinavian countries.

Because of the foregoing, the public sector--paradoxically enough in a capitalistic society--has a strong and direct involvement and joint ownership in the business community.

Even without the traditional partnership between the trade unions and the Social Democrats, Faeroe Island workers have succeeded in obtaining working conditions which correspond to the other Scandinavian workers as far as concerns work hours, wages, work environment laws and vacation terms, as well as worker protection, sick pay arrangements, and so on.

The good cooperation between the Faeroe Island and Danish labor movements also has played a role in this.

In addition to the traditional division between socialistic and non-socialistic parties, Faeroe Island politics have an additional dimension, created out of the national issues and attitudes concerning cooperation within the commonwealth. Irrespective of which dividing line one chooses, there are two equally large blocs, but it is not the same parties which fall into each bloc when one changes dimensions.

The self rule law therefore means in practice that the Faeroe Islands can be governed by a majority coalition only--minority governments are unknown and election periods are very stabile at four-years duration.

Even with the limited number of people--about 45,000--who populate the Faeroes, the parliamentary and governing attitudes include by and large the same number of problems and problem areas as in a larger society. To govern the Faeroe Islands therefore is an interesting undertaking, where we struggle to maintain cultural and historical values and ways of life, while at the same time wanting to create our own version of a modern society in a time where our own radio and television media daily circulate news of the rapid changes which mark the world around us.

#### Danes Ignorant of Problems

Copenhagen INFORMATION in Danish 23 Apr 86 p 1

[Editorial: "'Faeroe Islands in Focus'"]

[Text] Nearly year-round, firms and branches are attempting to draw attention to themselves and seek free advertising through arranging large exhibitions in

suitably equipped localities, of which Copenhagen is reputed to be among the best in Scandinavia. As a rule, it is not something of which we take great notice at INFORMATION. Normally that type activity is extremely uninteresting and has a pronounced commercial perspective. Nonetheless, the public must pay an entrance fee in order to come in and touch the goods.

The arrangement "Faeroe Islands in Focus," which is running this week in the Forum in Copenhagen with related sports and cultural activities over most of the country, is however, a notable exception which confirms the rule. This exhibition does not involve goods for us to buy. Rather, it involves a little society which has spent more than a million kroner in order to be taken seriously and to win our respect and understanding.

The premise underlying "Faeroe Islands in Focus" is a fact which undoubtedly is correct--that most Danes know surprisingly little about the Faeroe Islands. Surprisingly, since our two parts of the commonwealth have been united for more than 600 years since the time when Danish colonial forces attempted by hard handed methods to coerce the Faeroe Islanders to accept our values. Only in the most recent 35-40 years has there been any mutual reciprocity. And reciprocity has its obligations, as is known.

But whereas the Faeroe Islanders know everything about Denmark and speak our language, the Faeroe Islands have been forgotten nearly totally by the Danish public. In the Danish media, the North Atlantic island society, for many years, has stood in the shadow of the imposing and significantly more conflict-ridden Greenland.

The lack of information--which also is due to the Faeroe Islanders' insistence on isolation--has resulted in many Danes having an outdated impression of the Faeroe Islanders as some poor, peculiar creatures who go around in big wool sweaters and eat half-rotten mutton when they are not out busy fishing. The little which is said and written about the modern day Faeroe Islands is negative as a rule: their over-fishing, continued killing of "innocent" pilot whales, their deeply-indebted economy and peculiar alcohol policies. Small bits of truth which certainly can stand being a bit more nuanced.

The Faeroe Islands definitely are much more. They are an example for many small and large societies of how effectively one can utilize human resources if a population is geared to a high degree of flexibility. Without the limits of restrictive trade societies' boundaries and carefully measured occupational training conditions, they get going when there is the need for a hand.

Despite the country's smallness, the Faeroe Islanders have been able to preserve and develop their own national art and unique language. Literature and art flourish, newspapers of all possible political orientations fight with each other. There is an extensive social life, radio and television along with a business community which can do other things and more than deal in fish. The Faeroe Islanders have so much to give that in such distant areas of the world as Senegal and India, they provide foreign aid to the local people through development of their fishing technology.

It is this more multi-faceted and accurate picture of the Faeroe Islands' mini-model of a welfare state in the year 1986 which is being attempted to be presented to us Danes. Not an idealistic picture of a static, non-controversial and tradition-bound society. Beyond the fields of green grass, there is hard work on joining in the future in technological development, and they do not escape the conflicts which also mark the larger societies.

One can ask--and many Faeroe Islanders have done so--why it should be so important to change the Danes' view of the Faeroe Islands. With respect to export interests, the Faeroe Islanders ought to have their sights set more toward West Germany, the United States and Great Britain.

We should take it as a compliment and evidence of the fact that the commonwealth cannot be held together only by small bundles of money decorated with big words and toasts. There are genuine familiar ties which unite us. And nowhere else can one find such unspoiled faith in the importance of Nordic cooperation as in the Faeroe Islands.

If the Faeroe Islanders wanted, they certainly could exist without being tied to Denmark. But there is not a majority in favor of breaking loose the ties. According to the supporters of the commonwealth, the home rule law of 1948 provides the Faeroe Islands with the maximum desired opportunity for self-determination. As is known, the Faeroe Islands were allowed to choose to remain outside of the Common Market and to pursue, by and large, their own fishing negotiations.

Denmark and the Danes should take the outstretched hand. Not out of duty or politeness, but because we have something to learn.

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POLITICAL

FEDERAL REPUBLIC OF GERMANY

POLL SHOWS EFFECTS OF CHERNOBYL ACCIDENT ON PUBLIC OPINION

Hamburg DER SPIEGEL in German 12 May 86 pp 28-32

[Unattributed article: "A New Majority for Getting Out of the Nuclear Energy Industry; DER SPIEGEL Polls the Germans regarding Chernobyl"]

[Text] The reactor accident at Chernobyl has changed the political climate in the FRG more drastically and quickly than any other occurrence since the end of World War II.

This is indicated by a poll that was carried out for DER SPIEGEL by the Emnid Institut of Bielefeld, in which 1,000 men and women were interviewed from Tuesday through Thursday of last week. Nothing has ever been seen that was like the change in public opinion regarding the use of nuclear energy that took place within a few days. A majority of people advocating the construction of more power plants that has remained stable for many years has now become a minority, with the former figure of 52 percent of the population having sunk to 29 percent. Thus a minority opposing the building of additional reactors has become a majority of two thirds. The present-day slogan in the FRG is: "More nuclear energy?--no, thanks!"

A majority that is not all that big goes even farther and speaks in favor of getting out of the nuclear energy industry. Twelve out of every 100 opponents of the construction of additional power plants want the existing installations closed down immediately and 54 out of every 100 want them closed down "after a period of transition."

Neither the building of the Berlin Wall, the Cuban crisis nor the oil crisis disturbed the citizens of the FRG as much as the catastrophe in the Ukraine. All other current occurrences fade into insignificance by comparison with this big nuclear reactor accident, which "concerns" more than 85 percent of the citizens of the FRG "particularly intensively." Only 9 said that of the international economic summit meeting, 14 said it of the story regarding the national prison in Celle, and even where the attack on Libya by the United States was concerned, only 43 percent said it.

And not merely a concerned minority, but almost a two-thirds majority changed their shopping and living habits (see graphics) in accordance with the warnings regarding milk and spinach, rain and sand.

For the first time since the change of government took place in the fall of 1982, Emnid reported a red-Green majority in its Sunday poll. The SPD cannot be very happy about that majority, as a comparison with a survey in mid-April will show. It remained at 43 percent, and, since the CDU/CSU moved up from 43 to 44 percent, the distance between the two big parties even increased. Therefore the majority for the opposition only came into being because the Greens increased their share of the total from 8 to 9 percent and because the FDP lost 2 percent and now has 5 percent of the total.

The views of West Germans as to who is going to win the Bundestag election in January 1987 have changed a great deal more sharply. In February only 36 percent of those responding still considered a red-Green majority to be "certain" or "probable" and now 53 percent hold that view.

The SPIEGEL poll marks the beginning of a controversy that the chancellor of the FRG believes to be unavoidable. Mr. Kohl says, "We are going to have a gigantic discussion of the purpose of nuclear energy and how much sense it makes."

In fact, it is already certain now that the Bundestag election campaign will feature a new, big theme prominently--namely, how the West Germans should deal with nuclear power.

And in regard to the question as to who benefits from and who is damaged by such a controversy, the West Germans are in agreement almost independently of their individual political sympathies: A total of 59 percent of the citizens of the FRG believe that it will be beneficial to the Greens. Those who vote for the CDU/CSU, the SPD and the FDP agree with that prognosis; Emnid reported that 61, 65 and 66 percent, respectively, of those groups of voters held that opinion.

On the other hand, a total of 61 percent of the citizens of the FRG and 60 percent of the Union supporters are convinced that the CDU/CSU is in danger of being damaged.

The answers to the questions put by Emnid indicate that most West German citizens, by far, are not allowing themselves to be led by their emotions into the adoption of transient opinions and that they have been free of panic and hysteria in forming those opinions.

For example, when the 1,000 men and women were called upon to express their views as to whether a similar big nuclear reactor accident such as the one that took place in the Soviet Union could also occur in the FRG, only minorities declared the danger to be "just as great" or almost nonexistent. Most people chose to give more finely differentiated answers ("not as great" or "far less").

How strong the battalions are with which the political parties will move into the controversy regarding nuclear energy can be measured by the Emnid survey's figures.

Aside from the FDP, which has had hardly anything to say on this theme, the parties that are represented in the Bundestag have already laid out the courses they will follow.

In particular, the head of the chancellor's office, Wolfgang Schaeuble, and the head of the government of Lower Saxony, Ernst Albrecht, have spoken in favor of further expansion of nuclear energy. If Bonn alone could decide, breeders in Kalkar on the lower Rhine would enter the network before this year is over and the Wackersdorf reconditioning plant in Bavaria would be built, according to "Speedy" Schaeuble.

The leading SPD politicians, from Chairman Brandt and Candidate Rau to the State chiefs Lafontaine and Boerner, have spoken in recent days against the construction of additional power plants and for getting out of the nuclear energy industry after a transitional period, as was decided by the party's executive body shortly before the Chernobyl catastrophe.

If both parties hold to their courses, Kalkar and Wackersdorf will become central themes in the election campaign. The functionaries of the Greens, who are at odds with each other on almost all other questions, appear to be united. They demand that all nuclear power plants be shut down immediately. The SPD has the most insignificant problems and the CDU/CSU has the biggest ones. Most SPD supporters--like their party--approve withdrawal from the nuclear energy industry, while most CDU/CSU constituents--unlike their party--are against the construction of new power plants. Furthermore, opinion is divided among CDU/CSU supporters as to whether the existing power plants should remain in operation permanently or only during a transitional period.

On their course of total opposition, the Greens definitely cannot be as sure of their supporters as is generally assumed. Indeed, almost all of them are opposed to the building of additional power plants, but a gradual withdrawal is more popular among Green constituents than the immediate shutting down of all reactors.

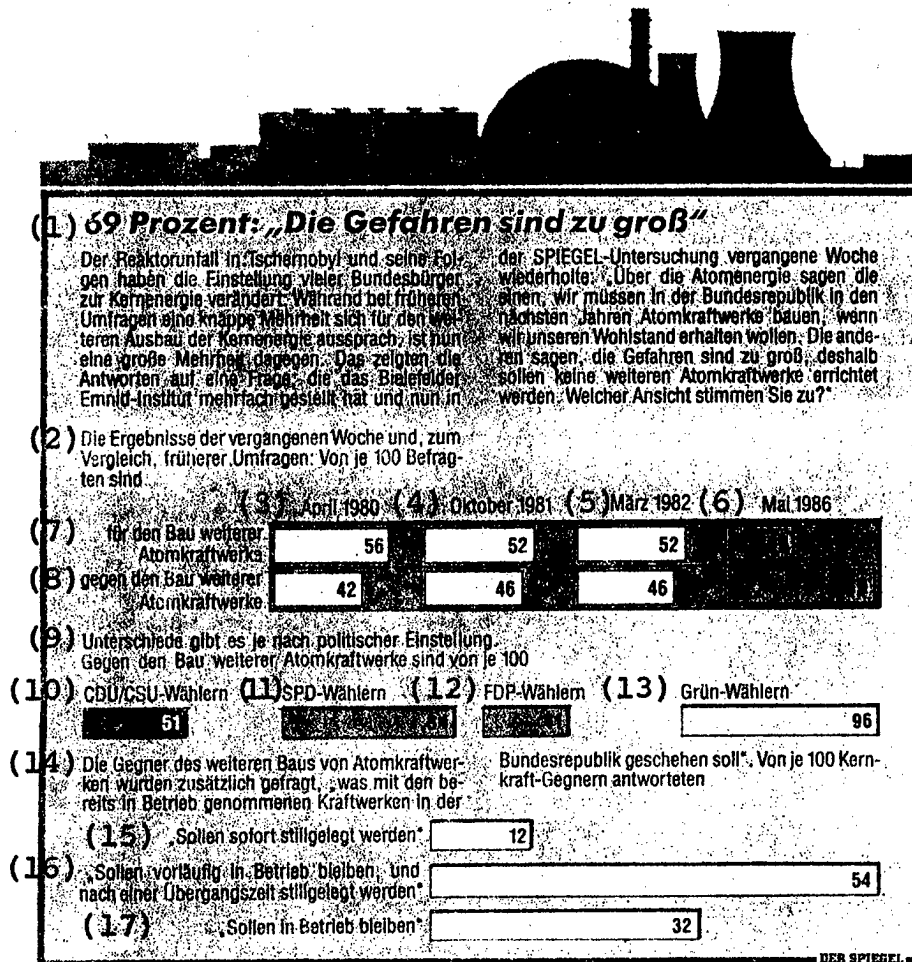
All views favoring and opposing nuclear power will be subjected to a testing of their unyieldingness in the coming election campaign. However that turns out, the shock of the days when the news regarding the Chernobyl catastrophe became known was felt deeply. After one has had the experience of being threatened by a danger that cannot be perceived by any of the five senses, nothing will ever be quite the same again.

Formerly, it often happened that Emnid and other institutes sometimes reported a majority for and sometimes reported a majority against new nuclear power plants to their employers. That depended upon how the question was put. That is, it depended upon whether it was put in quite general terms or whether people were asked, in specific terms, if they would agree to the construction of a reactor "in the vicinity of their own homes."

Now, after the radioactive rays have been blown in front of their own front doors from Chernobyl, which is 1,300 kilometers away, most Germans will not make any distinction no matter how the question is put.



Table 1.



Key:

- (1) 69 Percent: "The Danger Is Too Great"  
The reactor accident in Chernobyl and its consequences have changed the attitudes of many citizens of the FRG toward nuclear energy. Whereas in former polls a bare majority declared itself in favor of further expansion of nuclear energy, a large majority is against it now. That was indicated by the answers to a question that the Emnid Institute in Bielefeld has asked many times and repeated now in the SPIEGEL poll of last week. That question is: "Some say, in regard to nuclear energy, that we in the FRG must build nuclear power plants during the coming years if we want to maintain our prosperity. Others say that the danger is too great, and therefore no additional nuclear power plants should be built. Which view do you agree with?"
- (2) The results, per 100 persons questioned, in the poll of last week and, for the sake of comparison, in other polls, were:
- (3) April 1980
- (4) October 1981

- (5) March 1982
- (6) May 1986
- (7) For the building of additional nuclear power plants.
- (8) Against the building of additional nuclear power plants.
- (9) There are differences according to one's political point of view.  
Per 100 persons questioned, the following percentages opposed the building of additional nuclear power plants.
- (10) CDU/CSU constituents
- (11) SPD constituents
- (12) FDP constituents
- (13) Green constituents
- (14) Those opposing the building of additional nuclear power plants were asked the following supplementary question: "What should be done with the power plants in the FRG that are already in operation?" The following were the answers, by percentage, of those opposing nuclear power.
- (15) "Should be shut down immediately"
- (16) "Should continue in operation for the time being and should be shut down after a transitional period"
- (17) "Should continue in operation"

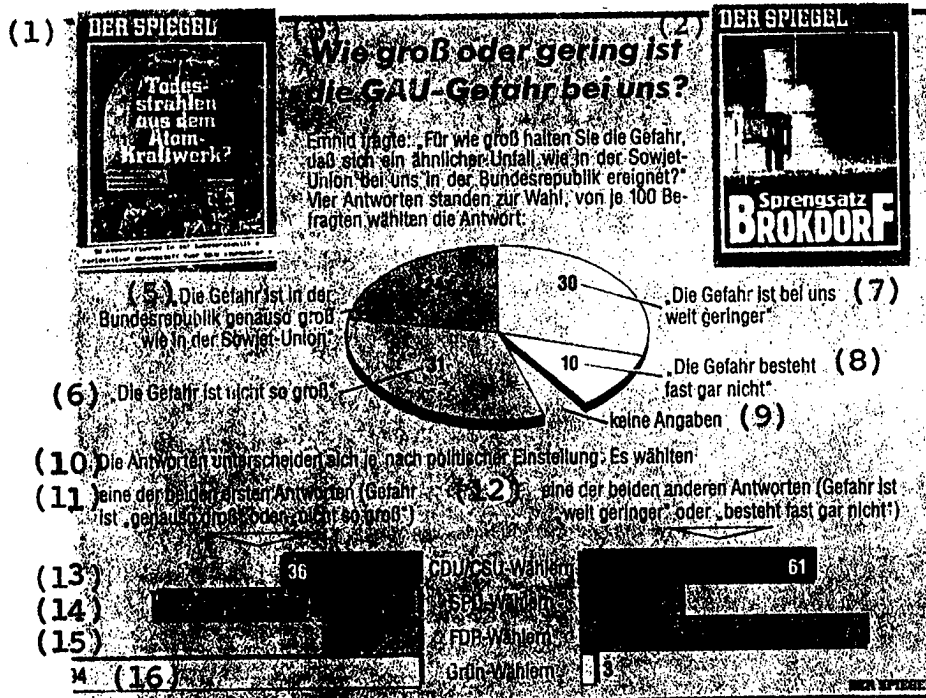
Table 2



Key:

1. 56 Percent: "Disturbed to a Very Great Extent"
2. Emnid asked the 1,000 persons questioned "to what extent you are disturbed by the reports and information from Chernobyl on the reactor accident and its consequences for the FRG." Those being polled were asked to respond in terms of a scale running from 1 through 6. "If you select '1,' that means that you are not disturbed at all, and if you select '6,' that means you are disturbed to a very great extent. You can make a finer distinction by using one of the other digits."
3. Out of every 100 individuals, the following percentages responded as follows:
4. "Not at all disturbed"
5. "Disturbed to a very great extent"
6. 

<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>
4	3	7	11	19	56
7. The following percentages of citizens selected the two highest digits, "5" and "6:"
8. Total
9. Men
10. Women
11. CDU/CSU constituents
12. SPD constituents
13. FDP constituents
14. Green constituents
15. Sixty-one percent: My Shopping and Living Habits Have Changed
16. Another of Emnid's questions was concerned with the interviewees' own behavior. The interviewers first referred to the various warnings regarding milk, vegetables and foodstuffs from the Soviet Bloc and asked: "Have you changed your shopping and living habits in recent days because of these and other warnings, or did you regard that as unnecessary?" The responses per 100 persons questioned were as follows:
17. "Have changed my shopping and living habits"
18. "Regarded that as unnecessary"
19. Per 100 persons questioned, the following had changed their shopping and living habits:
20. Men
21. Women
22. Did the citizens of the FRG Behave Correctly"
23. To the question as to how most citizens of the FRG had behaved, according to the interviewees' impressions, after the reactor accident, the following answers, by percentages, were given:
24. "Most citizens of the FRG were too concerned and too afraid"
25. "Most citizens of the FRG were not concerned and afraid enough"
26. "Most citizens of the FRG behaved in conformity with the situation and correctly"



Key:

- (1) DER SPIEGEL  
Death Rays from the Power Plant?
- (2) DER SPIEGEL  
Brokdorf Ignition Charge
- (3) How large or small is the danger of a big nuclear reactor accident in our country?
- (4) Emnid asked: "How big do you consider the danger to be that an accident similar to that in the Soviet Union will take place here in the FRG?" Four responses were made available, and the interviewees responded in the following percentages:
- (5) The danger is exactly as great in the FRG as it is in the Soviet Union.
- (6) The danger is not as great.
- (7) The danger is much less here.
- (8) There is hardly any danger.
- (9) No response
- (10) The responses differed according to political points of view. The following responses were made:
- (11) One of the first two responses (danger is "exactly as great" or "not as great").
- (12) One of the two other responses (danger is "much less" or "there is hardly any" danger).
- (13) CDU/CSU constituents
- (14) SPD constituents
- (15) FDP constituents
- (16) Green constituents

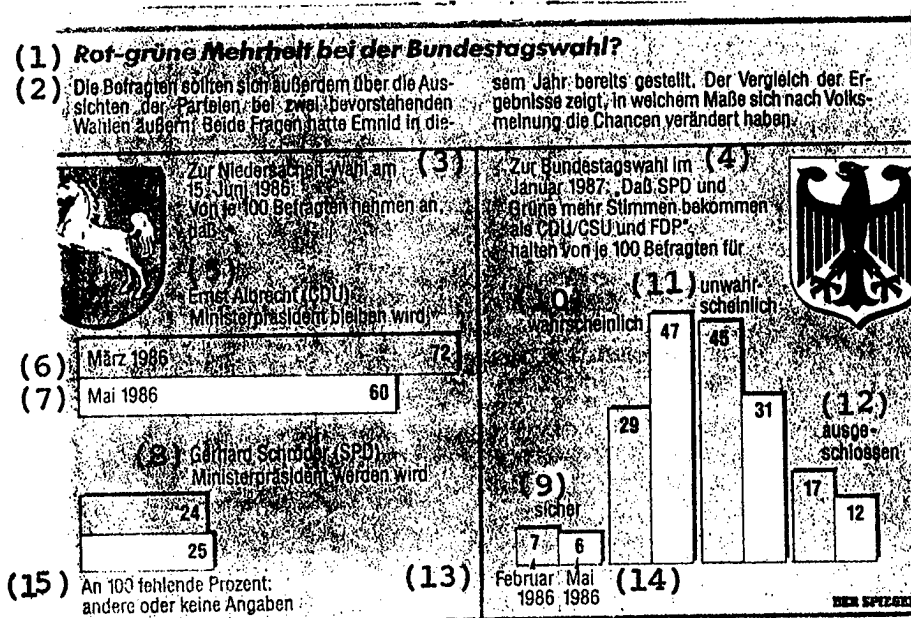
**(1) „Das Thema wurde den Grünen  
und schadet der CDU/CSU“**

(2) Mit welcher Partei wird die Emnild in welchem chemischen Element symbolisiert? (Die Emnild ist ein byzantinischer Mythos, der als ein Sohn des Bundesfürsten und der Königin nach Volkserhebung verurteilt wird.)

Emnild, der Gott, der das kühle Klima einzuschätzen. Es wird damit gerechnet, daß es für die politische Auseinandersetzung um die Kampfergebnisse in der Bundesrepublik geben wird, wie meinen Sie, welcher Partei wird eine solche Auseinandersetzung nützen? Und welcher Partei wird eine solche Auseinandersetzung schaden?



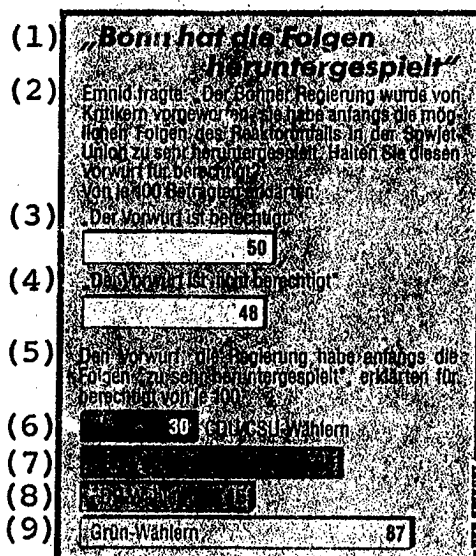
- (1) "This Theme Is Beneficial to the Greens and damaging to the CDU/CSU"
- (2) Emmid explored with many questions the extent to which the nuclear reactor accident in Chernobyl and its consequences have changed and will change the political attitudes of the citizens of the FRG, in the people's opinion. Emmid asked its interviewees to evaluate the political atmosphere. "It is expected that there will be a political controversy over nuclear energy in the FRG now. Which party do you think will benefit from such a controversy? And which party will such a controversy damage?"
- (3) The following percentages of interviewees think the controversy will:
  - (4) Benefit
  - (5) Damage
  - (6) The Greens
  - (7) The SPD
  - (8) The CDU/CSU
  - (9) The FDP
- 10) Multiple selections were permitted.



Key:

- (1) A Red-Green Majority in the Bundestag Election?
- (2) Furthermore, the persons questioned were to give their views regarding the prospects of the various parties in two coming elections. Emnid had already asked both questions earlier this year. A comparison of the results shows the extent to which, in the people's opinion, their respective chances have changed.
- (3) In the election in Lower Saxony on 15 June 1986, the following percentages assume that:
- (4) In the Bundestag election in January 1987, the following percentage think that the SPD and the Greens will get more votes than the CDU/CSU and the FDP:
- (5) Ernst Albrecht (CDU) will continue to be the prime minister
- (6) March 1986
- (7) May 1986
- (8) Gerhard Schroeder (SPD) will become the prime minister
- (9) Certainly
- (10) Probably
- (11) It is improbable
- (12) It is out of the question
- (13) February 1986
- (14) May 1986
- (15) The responses making up the differences between the above percentages and 100 percent: other responses or no response.

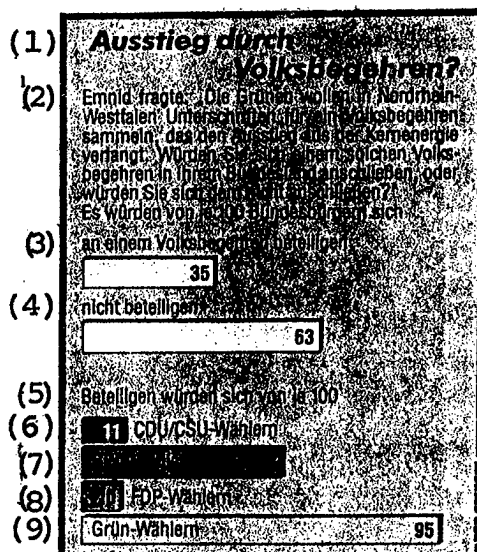
Table 6.



Key:

- (1) Bonn Played Down the Consequences
- (2) Emnid asked its interviewees: "The government in Bonn was reproached by critics for having played down the possible consequences of the reactor accident in the Soviet Union too much in the beginning. Do you think that complaint is justified? The following percentages indicate the responses that were received:
- (3) The complaint is justified.
- (4) The complaint is not justified.
- (5) The following percentages indicate the responses that were received to the question as to whether the government had played down the consequences too much at the beginning:
- (6) CDU/CSU constituents
- (7) SPD constituents
- (8) FDP constituents
- (9) Green constituents

Table 7.



Key:

- (1) Get Out through a Plebiscite?
- (2) Emnid asked its interviewees: "In North Rhine-Westphalia, the Greens want to collect signatures favoring a plebiscite demanding that we get out of the nuclear energy industry. Would you subscribe to such a plebiscite in your home state or would you not subscribe to it?  
The following percentages indicate the responses that were received:
- (3) Participate in a plebiscite
- (4) Not participate
- (5) The following percentages indicate the responses that were received:
- (6) CDU/CSU constituents
- (7) SPD constituents
- (8) FDP constituents
- (9) Green constituents

Table 8

**(1) Von fünf Ereignissen weitaus das Wichtigste**

(2) Die Emnid-Interviewer nannten fünf „Ereignisse der letzten Zeit“ und baten um Antworten anhand einer Skala mit sechs Werten: „Die 1“ bedeutet, daß Sie das Ereignis gar nicht beschäftigt hat, die 6“ bedeutet, daß Sie das Ereignis in besonderem Maße beschäftigt hat.

(3) Von je 100 Befragten entschieden sich für den höchsten Wert beim Thema

(4) „Angriff der USA auf Libyen“ (5) „Atomreaktor-Unfall in der Sowjet-Union“ (6) „Streit um den Streik-Paragraphen 118“

(7) Weltwirtschaftsgipfel in Tokio (8) „Aufdeckung, daß ein Sprengstoffanschlag auf die Strafanstalt in Celle in staatlichem Auftrag durchgeführt wurde“

(9) Wie sehr das Thema „Atomreaktor-Unfall in der Sowjet-Union“ weitaus die meisten Bundesbürger beschäftigt, zeigt die Verteilung der Antworten auf die sechs Gruppen:

(9) „beschäftigt mich nicht“ „beschäftigt mich in besonderem Maße“

1	2	3	4	5	6
-	-	1	4	10	85

Key:

- (1) By Far the Most Important of Five Events
- (2) The Emnid interviewers mentioned five "events in the recent past" and asked for responses in accordance with a scale having six values. "'1' means that the event did not bother you and '6' means that the event bothered you to an especially great extent."



- (3) The following percentages indicate responses assigning the highest value to the subject in question:
- (4) "Attack on Libya by the United States"
- (5) "The Nuclear Reactor Accident in the Soviet Union"
- (6) "The Controversy over the Paragraph 116 Strike"
- (7) "The International Economic Summit Conference in Tokyo"
- (8) "The Discovery that an Attack with Explosives on the Penitentiary in Cells was Carried Out on Behalf of Some Government"
- (9) The distribution of the responses among the six groups shows how much the subject of "the nuclear reactor accident in the Soviet Union" bothers by far the greatest numbers of citizens of the FRG.
- (10) Does not bother me.
- (11) Bothers me to a great extent.

9258/9435

CSO: 3620/696

POLITICAL

FINLAND

POLL: SUPPORT FOR KOIVISTO DROPS FROM 65 TO 56 PERCENT

Helsinki UUSI SUOMI in Finnish 27 Apr 86 p 3

[Article: "Koivisto Still Strong; Support of Left and SMP Has Dropped"]

[Text] Fifty-six percent of all Finns would vote for President Mauno Koivisto if they had to make a voting decision in presidential elections right now. This was revealed through a poll commissioned by the newspaper LAPIN KANSA and conducted by M-Tietokeskus, a poll published in the paper's Saturday edition. A half a year before election Gallup polls promised Koivisto support figures of 65 and 71 percent.

About 500 Finns were interviewed in March for the opinion poll. In the poll respondents were presented with 11 candidates from among whom they had to choose the one they would vote for if the presidential elections were held now.

According to the poll published on Saturday, President Koivisto is still clearly the strongest presidential candidate. The second most-favored one after Koivisto is Foreign Minister Paavo Vayrynen (Center Party), who is supported by 9 percent of all Finns. Bank director Harri Holkeri (Conservative Party) garnered 6 percent, Governor Pirkko Tyolajarvi (Social Democrat) 4 and Governor Kalevi Kivisto (People's Democrat) 3 percent of the vote.

Prime Minister Kalevi Sorsa (Social Democrat), speaker of Parliament Erkki Pystynen (Conservative Party) and the Center Party's Johannes Virolainen measured in at a 2-percent support figure.

SMP supporters Are the Most Disloyal

Support for both the Left and the Finnish Rural Party (SMP) has dropped by over 4 percentage points in comparison with the last parliamentary elections. According to a poll conducted by M-Tietokeskus for the newspaper KALEVA, the Greens, support for whom is already nearing 7 percent, have most clearly increased support for themselves. Support for the Center Party and the Conservative party is also slightly rising.

According to an opinion poll conducted in February-April, 36.2 percent of the voters would now vote for the Left and 63.8 percent of them for the nonsocialist parties, whereas support for the Left was still 40.7 percent in the parliamentary elections.

According to the poll, the SDP [Social Democratic Party] has preserved its position as largest party, but lost 2.6 percentage points of the support it had in the parliamentary elections. Twenty-four point one percent of the voters would vote for it now. Support for the SKDL [Finnish People's Democratic League] has dropped from 14 to 12.1 percent.

The SMP, which, according to the poll, 4.9 percent of the voters would vote for now, whereas its share of the vote was still 9.7 percent in the parliamentary elections, has overwhelmingly lost its support the most. SMP supporters are also the most disloyal to their party since less than 60 percent of those who voted for the SMP in the last elections would now vote for the SMP.

11,466

CSO: 3617/109

POLITICAL

FINLAND

PAPERS COMMENT ON SIGNIFICANCE OF CHERNOBYL NUCLEAR ACCIDENT

'Stalinist' Press Organ's Statement

Helsinki TIEDONANTAJA in Finnish 30 Apr 86 p 2

[Editorial: "The Nuclear Power Plant Accident"]

[Text] The serious nuclear power plant accident that took place in the Soviet Union will without a doubt reanimate discussion and arguments on the good, bad and indifferent of nuclear power.

There are, of course, no simple solutions to this problem which we have spoken about for a long time now. Nuclear power has undeniable advantages in comparison with the use of conventional fuels from the standpoint of sufficiency of energy reserves, economy and also its effects on the environment. It is hard to imagine that the world's energy needs over a long period of time could be ensured without development of the different forms of nuclear energy.

On the other hand, there are risks attached to nuclear power, risks that we are very well capable of minimizing with our current technology, scientifically based standards and public control, but which we can scarcely ever completely eliminate in an absolute sense. Safety requirements constantly evolve because of the existence of these risks and because of our needs. Every nuclear power plant accident is a reminder of this.

There will not fail to be those who attempt to use the serious accident that has occurred in the Soviet Union for anti-Soviet purposes. The Communists will not join this chorus. However, the Communists support diffusion of relevant information on nuclear power and relevant discussion of energy policy alternatives.

'Moderate' CP Organ Comments

Helsinki KANSAN UUTiset in Finnish 30 Apr 86 p 2

[Editorial: "Accident"]

[Text] When the seriousness of the Soviet nuclear power plant accident became apparent Monday evening, all other economic and political discussions were

for the moment overshadowed. The name, Chernobyl, which only a few people have up to now been aware of, became instantly known to everybody.

The seriousness of the matter was emphasized in Northern Europe because news of the increase in radioactive fallout was reported throughout the day on Monday in the Nordic countries and reports of clear signs of panic came from Sweden, for example.

The governments of the Nordic countries have demanded explanations of what happened from the Soviet Union. Criticisms of the delay in reporting it disclosed in the news media and the lack of information were added to certain demands for an explanation. These attitudes are natural when we consider the extensive controversial views and campaigns that have surrounded nuclear power in the Nordic countries. But from the standpoint of the Soviet Union, the brief announcement read during the chief newscast on Moscow television is already an expression of an entirely new kind of information policy.

In Finland our own officials' delay in informing us of the danger of radiation and Swedish officials' accusations leveled against the parties concerned in Finland are also explained as a gap in communications. The whole situation has given rise to many problems. Since reports of the magnitude of the accident are incomplete, the rumor mill is ascribing entirely exaggerated dimensions to the accident.

Since discussions on the occurrence and its direct consequences were engaged in, in the Soviet Union they began to examine their energy program. And then they ascertained that the country's rapidly progressing program for the construction of nuclear power plants has suffered a considerable setback. Is the same sort of discussion of nuclear power as in Western Europe being engaged in as a result of what has happened? Up to now in the Soviet Union they have through thick and thin stressed the absolute safety of their own energy laws.

The matter is in many ways of current interest and a "hot issue" for Finland. While the antinuclear power movement appears to have declined, political decision-makers' opinions on nuclear power are still sharply divided. Under the circumstances, the debate in Parliament on the nuclear power plant and its decision with regard to the rapidly advancing plan to order a big new power plant may give rise to an entirely new-toned discussion.

#### Other Newspapers Comment

Helsinki UUSI SUOMI in Finnish 1 May 86 p 4

[Excerpts] The Soviet Union apparently would have tried to keep the whole nuclear power plant accident a secret if the cloud of pollutants it produced had not extended to the Nordic countries and provided ample clues as to what had happened. This is what HELSINGIN SANOMAT wrote in its lead article bearing the headline: "Soviet Policy of Concealment Is Astounding."

This behavior is in keeping with the traditions of the Soviet policy of concealing information. In this case it is not, however, a matter of the country's internal affairs alone. As a member of the International Atomic Energy Agency, it would have been its duty to immediately announce the accident.

SUOMENMAA (Center Party) takes up the debate on nuclear power in Finland. Our nuclear power plants are of a type that is different from the plant in which the accident occurred in the Soviet Union. In spite of this, we here in Finland will certainly discuss the safety of nuclear power hereafter in a more serious vein than before.

Of the SDP papers, only the TURUN PAIVALEHTI dealt with the matter. According to it, in spite of everything we ought to avoid dramatizing the peaceful use of nuclear power and especially the construction of ideas associated with atom bombs.

11,466

CSO: 3617/110

POLITICAL

GREECE

# BIOGRAPHICAL DATA ON NEW GOVERNMENT PERSONALITIES

Athens TA NEA in Greek 25 Apr 86 p 3

[Text] A. TRITSIS: Minister of education, 49, deputy from Kefalonia. Married, he has studied architecture and city-planning at Athens Polytechnic and the University of Illinois (U.S.A). He is an architect-city-planner and professor of town-planning at the Pandeion in the graduate department. He was elected deputy in 1981 and was minister of town-planning, housing and environment from 21 October 1981 to 21 September 1984. He is a member of the PASOK Central Committee.

A. KOLIOUSIS: Deputy minister of agriculture, 46, deputy from Thesprotia. He is married and has three daughters. He is a civil engineer (educated at Athens Polytechnic) and was elected deputy for the first time in 1977.

M. NATSINAS: Minister of industry, 61, deputy from Kozani, former vice-president of the Chamber of Deputies. He was born in 1925 in Siatista, Kozani, is married and has one son and one daughter. He has studied law and political science at the University of Salonica and is a practicing attorney. He was elected deputy from Kozani in 1961 with Center Union, and in 1978 was also a PASOK deputy from Kozani, by decision of the electoral-court, in place of Davidopoulos.

D. PITSIORIS: Deputy minister of agriculture, 44, deputy from Magnisia. He was born in Volos in 1942, is married and has one son. He is an engineer (educated at Hanover Polytechnic), has been elected since 1977 and has been deputy minister of industry and finance.

V. SARANDITIS: Deputy minister of defense, 48, deputy from Piraeus First District. He was born in Lakonia in 1938, is married and has one son and two daughters. He has studied political and economic sciences at Athens University and did graduate work in England in maritime law, transportation law and banking law. He is a practicing attorney. He was elected for the first time in 1985. He was secretary-general of the Ministry of Merchant Marine from 1982 to 1983.

TH. STATHIS: Deputy minister of defense, 49, deputy from Larisa. He is married and has two sons and one daughter. He studied to be a mechanical engineer (University of Vienna), and for his masters in mechanical engineering (Columbia University in New York). A doctor and professor of environmental technology (Manhattan University, New York). He is a lecturer and specialist in the sector of environmental technology at the University of Patrai. He was elected for the first time in 1981.

OR. PAPASTRATIS: Deputy minister of defense, 61, deputy from Evvoia. He is married and has two sons. He is a doctor, a surgeon, and was elected deputy for the first time in 1981.

F. PETSALNIKOS: Deputy minister of education, 36, deputy from Kastoria. He is married, has studied law at the University of Salonica, and did graduate work at the University of Bonn.

KH. FOTIOU: Deputy minister of commerce, 47, deputy from Piraeus Second District. He is married and has one son and two daughters. He is a lawyer, mayor of Keratsinion from 1975 until 1978, was elected for the first time in 1981.

S. TZOUMAKAS: Deputy minister of transport, 40, deputy from Athens Second District. He was born in Katarraktis, Arta, in 1946 and is single. He is a lawyer, an alternate member of the PASOK Executive Office and a former president of EFEE [National Student Union of Greece]. A deputy of state in 1977, he was elected in Athens First District in 1981 and in 1985.

D. GEORGAKOPOULOS: Deputy minister of finance, 38, deputy from Ileia. He was born in Varda, Ileia in 1948, is married, has studied mathematics and economics and is a banker. He was elected for the first time in 1981.

K. PAPANAGIOTOU: Deputy minister of labor, 48, extra-parliamentary, member of the PASOK Central Committee. He has been vice president of the Athens Bar Association and secretary general of the Ministry of Labor since 1981.

9247

CSO: 3521/147



POLITICAL

GREECE

# GOVERNMENT SEEN LOSER IN CHERNOBYL CONSEQUENCES

Athens EMBISTEVTIKO GRAMMA in Greek 14 May 86 p 2

[Text] Displeasure prevails among many government factors because, as they told us, they think the government is coming out the loser from the nuclear catastrophe in the Soviet Union. In particular, Koutsogiorgos' circle expresses the opinion that the government's alignment in the beginning with the Soviet tactic of providing information and its relaxed manner was detrimental because it went against the broad popular sentiment and shook confidence in the government. Also, it is observed that the pro-government newspapers, facing the danger of losing ground, from the standpoint of circulation, versus the opposition papers--with the exception of PROTI which is more openly pro-Soviet--distanced themselves from the Soviet line and therefore were of no service to the government.

So, inevitably, the latter found its only means of expression in television, which quickly fell to great discredit, however, and in certain cases was galling in its reporting. As a result, the popular confidence in the government is shaken even more. At present there is great speculation in government echelons and some ministers stress that PASOK has lost a big opportunity to show the outside world how irresponsible the KKE is on issues concerning public health and the national interest. According to one part of the party's officials, in the case of Chernobyl, Papandreou, because of petty-party and dubious considerations, lost the opportunity to score points versus the KKE, and to exploit New Democracy's initial lukewarm stance in the face of events. As we were informed by experts in measuring public opinion, the issue of radioactivity will, in the end, have negative repercussions on the government's prestige which, according to recent polls, is following a downward course, without this fact being translated into a rise in the public's confidence in ND, however.

9247

CSO: 3521/147

POLITICAL

GREECE

## RESULTS OF STUDENT ELECTIONS SHOW PASOK LOSSES

Athens TO VIMA in Greek 20 Apr 86 pp 6-8

/Article by Giorgos Lakopoulos/

/Excerpts/ The decision by EFEE /National Student Union of Greece/ to publish on its own the official results of this year's student elections to prevent a controversy like last year's was in the long run proven to be "unnecessary." The electoral body of Greek universities demonstrated its preferences with such clarity that not only the results but the new elements that these results create are already finding --even though "forcedly"-- ready acceptance on the part of the "duelists."

Moreover, this year's student elections had characteristics that more or less differentiated them markedly from previous years, namely the following:

First of all, they took place in an atmosphere of "calmness bordering on indifference" if one takes into consideration the rather limited student presence during the pre-electoral campaign by the various factions. And yet the record participation observed at the polls is now being interpreted as an indication that students have reacted with more "electoral" and lesser "political" feelings.

Secondly, both the continued influence of the factions and the progressive orientation of the student movement was made clear. If we were to include the 3,000 additional students who voted this year together with the 6,483 votes that PASP /Panhellenic Militant Student Faction/ and the Democratic Struggle lost overall, then the 1,780 additional votes that DAP /as published/, that claims first place, obtained show that the outflow toward a conservative direction was slight even if the 1,000 ADIK /as published/ votes were to be taken into account.

Thirdly, the mobilization of party organizations and neo-populist organizations damaged the pro-government faction. Many of its speakers showed up at empty auditoriums and in many instances students affiliated party-wise with PASOK did not take an active part in the meetings. Indeed, characteristic of the situation was the surprise of Minister of Health G. Gennimatas when he went to the School of Medicine to deliver a speech and where he met a student --a PASOK member-- who asked him in a most natural manner: "How come you showed up here, Mr Minister?"

Fourthly, the confrontations between factions were centered on issues not having to do mainly with university issues and this forced PASP trade unionists to "stand up for" issues different from those that constituted the pivotal point of the faction's electoral strategy.

Fifthly, "controlled polarization" that characterized the presence of students in their schools facilitated the outflow of voters toward "the more dynamic factions" of PSK [Pan-Student Trade Union Movement] and DAP --which in some way or other managed to rally students and also through their special trade unionist operations that had the most visible "social" character.

Nevertheless, these reflections do not refute a basic point. The "big loser" of this year's student elections is PASP. The inability of PASOK's student faction to hold on to at least the same number of voters that permitted it to claim first place last year and its --on the contrary-- spectacular shrinkage percentage-wise have all brought it a level of influence that it has not experienced since 1974.

On the other hand, PASK was rather easily able to overcome "problems" that had been created for it by last year's results, problems having to do with its maintaining the picture of "the first force" that has over the past few years constituted its "central rallying slogan" and to leave DAP and PASP behind.

Democratic Struggle followed a rather normal course that had already been determined by the marked absence of its cadres from the "pre-electoral load" of the schools, while the ambitious ADIK (DIANA's [Democratic Revival]) not only did not threaten DAP but, to the contrary, put the party to which it gives allegiance in a difficult position during its "first official confrontation" with New Democracy.

Despite the "clear" picture that the overall results present, a detailed study shows interesting facts over the way the strength of each faction was developed. It is, indeed, noteworthy to note that the increased participation, the shifts, the "placing of percentages" on the absolute numbers lead to impressive observations for the development of the results.

- DAP did not lose strength in any of the areas where "mass" university schools exist. To the contrary, it continued its rapid course of the past few years in the Athens area. In the capital itself it obtained a total of 1,197 votes (1.57 percent) more, while in Salonica it increased its strength by 735 votes (1.75 percent). Only in Crete did it lose 1.03 percent despite getting 177 more votes.

In Athens, it held on to second place that it had, while in Salonica it got first place. In Ioannina, it obtained second place, while in Patras and Thraki it came out number one.

It is also noteworthy that only in two universities (the industrial and the Pandeion) it lost strength, both in votes and percentage-wise, while in all the other universities it came out with increased percentages even where it obtained lesser votes (Kapodistriako).

The same faction showed a small numerical drop in the economic and law schools, but even here it increased its percentage, while in all the other schools it came out with more votes and increased percentages. DAP is now the number one force in the medical theological and polytechnic schools, exactly where PASP lost most strength.

- PSK holds first place in four cities but in Patras, where it held the same place last year, it dropped to third place this year, a fact that certainly is related to the well-known KKE developments. Just as last year, the faction occupied first place in seven universities, second place in three universities and third place only in one (Patras). Its strength in the economic and athletic schools showed an impressive increase, while it lost votes, but not percentage-wise, in the law schools.

- PASP showed greater strength in number of votes in three cities but in none did its percentage rise. In Athens, it lost 2,180 votes and 6.39 percent and in Salonica 953 votes and 4.89 percent.

The faction increased its numerical strength appreciably only in Crete and Patras but percentage-wise it dropped there also, while it lost significant strength in the Kapodistriako University (6.54 percent), the EMP /Greek Metsovion Polytechnic School/ (7.54 percent), in the ASOEE /Advanced School of Economic and Commercial Sciences/ (7.33 percent) and TEFAA /as published/ (10.34 percent). By school category, the faction showed a drop in the economic schools (5.6 percent), law schools (8.5 percent) and polytechnic schools (5.7 percent), while in no school category did it increase its strength in votes and percentage-wise.

PASP is at present not a "first rate power" in any city, university or school category, while it did occupy this place last year in one city, two schools and one school category (in the athletic schools it dropped from first to third place).

- Democratic Struggle followed a course similar to that of PASP. Without being in danger of losing fourth place, a place that it has "regularly" occupied over the past few years but without any hope of ever moving up to third place, has seen its numerical strength (but not its percentage) increase in four cities, lose strength (both in number and percentage) in Athens and Salonica, backtrack in the big universities and lose members in all the big schools, while it moved up in only one school percentage-wise and increased its numerical strength in two.

These conclusions clearly follow from a mere reading of school registers and describe the specific course of each of the four major factions. Also of interest, however, is an exact "inverse" reading of them.

In the big cities (Athens and Salonica) where about 80 percent of the students voted, PASP showed the greatest losses that finally shaped its definitive percentage. It is indeed characteristic that in Athens the faction lost in percentage about as much as it lost on an overall country scale.

Also losing strength in the same cities was Democratic Struggle, while PSK showed the greatest gains (3.4 percent in Athens and 3.9 percent in Salonica). DAP increased its strength but in a way disproportionate to the larger number of votes it obtained.

In the remaining cities, PASP had its greatest losses in Thraki where it lost 6.47 percent even though it obtained only six votes less than last year, while in Crete it got 292 more votes but lost about one percentage point.

This year, 1,103 less students voted in the economic schools but PASP lost 1,338 votes and 5.6 percent. Also suffering losses of 382 votes and 1.37 percent was Democratic Struggle. PSK was favored with 288 votes (3.72 percent) and DAP with 96 votes and 1.28 percent. ADIK got 270 votes, the "miscellaneous" almost the same number as last year.

It is most obvious that the shift of the absolute figures into percentages in these schools favored the first two factions.

- In the law schools, 8.05 percent of PASP's losses (670 votes even though 511 more students voted) shifted more to ADIK (3.24 percent and 212 votes) and the "miscellaneous" (213 more votes and 3.6 percent), while DAP got 2.10 percent more for which 42 more votes were sufficient.

PSP got 51 votes more and increased its percentage by 0.91 percent. DAP and ADIK were obviously favored by this distribution.

- In the schools of philosophy with 294 more students voting, PASP lost 349 votes and 4.52 percent and Democratic Struggle about the same number of votes (337) but a smaller percentage (3.02). Benefiting from the losses were mainly the "miscellaneous" (3.22 percent) and secondly PSK (1.88 percent and 232 votes) and DAP (1.48 percent and 197 votes).

- In medical schools where about the same number of students voted as in 1985, PASP lost 474 votes (4.67 percent). Democratic Struggle also lost 118 votes (1.01 percent) and the "miscellaneous" 1 percent. Benefiting were PSK (2.88 percent and 200 votes) and DAP (2.28 percent and 124 votes). Once again the numbers game favored the two big factions.

In the physics and mathematics schools, PASP dropped by 520 votes and 5.19 percent while Democratic Struggle dropped by 154 votes and 1.64 percent. Primarily benefiting were DAP with 2.64 percent (344 votes) and the "miscellaneous" with 2.37 percent (279 votes), while PSK got only 0.67 percent more even if it was number one with 134 more votes. In these schools the number of voters came to about 400.

In the theological schools, the figures once again went against PASP. Only 58 students more voted, the faction lost only 20 votes but losses percentage-wise was in the order of 5.28 percent. Democratic Struggle also lost 1.45 percent (33 votes), while benefiting were PSK whose 58 votes were sufficient to have it obtain 2.42 percent more, DAP with 1.99 percent more (55 votes), as well as ADIK that obtained one of its best percentages, namely 2.74.

In the teacher training schools, 1421 more voted and PASP list 70 votes and 3.87 percent. These losses were about equally distributed among the other factions, with the exception of Democratic Struggle that got 233 more votes and about one percentage point.

In the polytechnic schools, DAP needed 389 votes more to obtain 2.38 percent more, while PSK with 322 votes did not get more than 1.9 percent. ADIK did not do badly here with 246 votes and 2.28 percent, while the "miscellaneous" had a rise of 1.6 percent. PASP received 513 votes and 5.7 percent and Democratic Struggle 200 votes and 2.84 percent. A total of 775 more students voted in these schools.

Finally, in the teacher training academies with 221 more voting, PASP which was number one last year with 32.64 percent and 1,098 votes received 121 less votes this year, i.e. 8.43 percent. If one takes into consideration the fact that ADIK and the "miscellaneous" did not have much influence the benefits were distributed among PSK (with 5.39 percent and 420 votes) and DAP (that got 3.4 percent more and 313 votes). Democratic Struggle obtained four more votes but lost 1.09 percent of its strength.

All of the above, despite "tiring sameness" that figures have and that sometimes do not provide the exact tendencies of the electorate, facilitate the drawing of conclusions in the way the student factions' influence was judged.

The first conclusion concerns the disappointment of PASP's expectations that the great voter participation would give it the possibility of remaining at high percentage levels. To the contrary, it appears that students flocked to the polls influenced by DAP and PSK primarily that were favored with both the numerical and percentage-wise losses that the pro-government faction suffered. If, in fact, we consider that in some schools the ADIK votes were taken away primarily from DAP, then the question is raised from where was the void they created in the ND faction filled?

The second conclusion is that this year PASP received a smaller number of votes from first year students than at any other year. At least this is what ensues from the fact that even in those cases where an increased participation is noted (primarily in the big schools) the faction suffered an impressive drop. Democratic Struggle must also have had little influence on first year students, while the lion's share must have been shared by DAP if one takes into account that Democratic Struggle's losses went mainly to PASK.

The third conclusion relates to the most evident influence of the social and political environment on the student voter. In Athens where the epicenter of anti-government demonstrations is to be found and where the most intense presence of government opposition is seen, together with the well-known quality of life conditions, there was a large-scale hemorrhaging of the pro-government faction and a corresponding strengthening of the opposition factions.

A fourth conclusion must be found in the employment conditions that characterize the professional sectors prevalent in each school and even in the trade unionist "mobilization" of these sectors in recent times, or even in their opposition to government initiatives that relate to them.

For example, in the law schools with the professional majority of the corresponding sector as well as their well-known "opposition" to the government, PASP faded out. In these schools the Right and the "miscellaneous" came out especially strengthened.

Things took a similar aspect in the polytechnic schools where this professional sector is undergoing a crisis, a crisis also being felt by the medical schools which have recently been suffering through all that has been reported about ESY /National Health System/.

Besides the university student elections described above there were also high school student elections. Here, things assumed another form. PASP lost 3 percentage points but clearly left DAP, that showed a rise of 2.6 points, behind it, while PSK went on to obtain first place getting 2 points more than last year. Democratic Struggle had slight losses (only 26 votes and 0.2 points) but there were evident differences in the other factions that lost approximately 1.5 percent.

The political consequences coming out of this year's university and high school student elections are subject to their being excessively exploited by those who do not have any reason to rejoice. Nevertheless, since the intrigues in the universities do not relate only to political parties but are recorded as more substantial social and political phenomena, it would be perhaps more useful, when the atmosphere "of winners and losers" dies down, that they might constitute a subject of a more realistic approach.

The 13th All-Student Congress that convenes next Friday --the exact number of seats that each faction will occupy is still not clear and even less clear is the prospect of a chairmanship being set up in EFFE and ESEE /as published/ -- will obviously constitute yet another channel for party "lines."

The question, however, is what will happen after the congress and especially how the university student movement will acquire not only a clearer orientation but mainly a more effective structure in all levels of its organization. On Thursday, the electoral body solved for 1986 the differences among factions for first place but left in abeyance the matter of (re)organization of university student intervention in and out of universities.

5671

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POLITICAL

GREECE

BRIEFS

FAILURE IN PASOK-KKE(INT) RAPPROCHEMENT--The effort by Pasok Eurodeputy Khr. Papoutsis to re-establish some bridges of communication between PASOK and the KKE(Int) is considered by political observers to be an "overture of desperation." According to our information, the goal of Papoutsis' effort, which was revealed at the Fourth KKE(Int) Congress last Sunday before everyone, is to prevent any kind of cooperation between G. Arsenis and syndicalists expelled from PASOK and the KKE(Int). Also, the young Eurodeputy initiated talk about a PASOK-KKE(Int) cooperation in an effort to check the losses to the left being seen in the heart of the PASOK youth, which is constantly weakening. Finally, Papoutsis' initiative corroborates similar "overtures" made by A. Papandreou, and is indicative of PASOK's choices in the future as concerns the policy on alliances it will follow. Nevertheless, from the side of the KKE(Int)--which is trying to survive--a closer cooperation with PASOK, under present conditions, is deemed disadvantageous. Characteristic of this viewpoint are the words of Leonidas Kyrkos at the Fourth KKE(Int) Congress. He said that PASOK's proposal for a dialogue and cooperation, given the government policy, does not make such a dialogue "socially acceptable and politically possible." [Text] [Athens EMBISTEVTIKO GRAMMA in Greek 14 May 86 p 1] 9247

CSO: 3521/147



POLITICAL

ITALY

## FIVE-PARTY COALITION ISSUES ACCORD

### Policies Determined

Rome L'UNITA in Italian 29 Apr 86 p 2

[Article by Gabriella Mecucci: "The Ten Points of the Five-Party Coalition"; first paragraph is L'UNITA introduction]

[Text] A political program launched by the recent leadership "review." Inflation at 5 percent, growth at over 3 percent. Also considered are issues of national social reform, welfare, the South, the legal system, and institutions. No agreement on avoiding the referendum on the judiciary supported by socialists and radicals. Few concrete proposals.

Rome--Five percent inflation, a positive balance of payments, more than 3 percent growth in gross domestic product, and growth in employment. These declarations open the policy document agreed upon by the secretaries of the majority parties at the last leadership review meeting. The 8th and last meeting was very long (almost 9 hours) and led to the addition of two amendments. These amendments offer very few new ideas or concrete proposals except for some decisions on the RAI [Italian Radio Broadcasting and Television Company], which will be reported on separately. The rest addresses either summarily or vaguely such issues as inflation, the public debt, social reform, the INPS [National Social Security Institute] and welfare, health, investments, the South, jobs, the judicial system and institutions.

The proposals on which the five parties agreed are as follows:

**Inflation:** Reducing inflation to a rate of 5 percent will be possible only if businesses do not take advantage of the present favorable economic situation to increase profits, prices are restrained, and a strong incomes policy is in effect. However, the document does not say what means are to be used to accomplish this. It says only that the government shall have "a coherent rate policy that does not prevent the maintenance of family and energy consumers' incomes."

**Budget Deficit:** The deficit is to be reduced in size and the nature of expenditures reviewed. The deficit should not exceed 7-8 percent of the gross domestic product. Tax revenues should be increased only by reducing tax evasion while the "level of tax pressure should remain unchanged." Local governments should be given autonomous taking powers. How? The document again makes only one concrete proposal: introducing the Tasco.

As for expenditures, the possibility is mentioned of further lowering the yields on treasury bonds and CCT's through a "balanced and forward-looking tax policy." In practice this means reducing the cost of money. Expenditures would also fall, thanks to a reduction in "all forms of transfer payments and subsidies." However, the document does not mention what or how much would be eliminated.

Welfare and social security: public assistance is to be separated from welfare. As Gorla had already said, welfare payments "are to be financed separately by the national government and limited to the truly needy." Also, "The excess of welfare-statism must be replaced by social pluralism based on solidarity." Such vague generalities are rife throughout the part of the document dealing with pensions, and the gist of it seems to be that the maximum would be lowered and an age limit imposed. The proposal on social security reform would limit the power of administrative and institutional councils by a "more restricted executive power that will supervise the structures."

Health: "Urgent" approval of the health plan so as to link the action of all structures within precise parameters; stopping refinancing deficits; instituting professional management in hospitals, and selecting local health unit management according to rigorously professional criteria.

Investments: Growth should reach about 6 percent and give incentives to innovation. As for monetary legislation, there should be "greater and progressive liberalization and internationalization of our financial market." Public investments--as provided by budget--would amount to 38 trillion lire and be made mainly in the energy sector (with implementation of the PEN [National Energy Program] and, therefore, construction of planned energy plants), in the sectors of telecommunications, railways, construction, national defense, the environment, and the cultural heritage.

The South: Immediate implementation of the emergency-action law, and the law concerning new businesses and Calabria. Some projects are listed for completion: high-speed transportation, research areas in Southern localities, modernization of urban centers, measures to increase the productive base and the supply of services.

Employment: A series of laws are mentioned that have already been approved and that, if applied, will create jobs. Also proposed are the introduction of apprenticeships in the artisanal sector, an increase in hiring lists, the introduction of entry wages, the expansion of part-time work, and greater overall flexibility in the labor market.

Justice: The document lists some actions that should be taken. Strengthening the judiciary as a body, extending the rights of the accused and those indicted, improvement in jail construction, new penalties for crimes committed by public officials against public administration, and approval of the bill on disassociation. The five parties did not agree on the issue that is the object of the socialist and radical referendum. Martelli said that "for the moment all the reasons still stand that led to the collection of signatures."

**Institutions:** The priority of some bills is discussed: those on local government reform, the institution of the Council presidency, establishing a ministry of the Environment, the land expropriation law, and equal justice. Not a word is said about the issue raised by the socialists, who call for abolition of the secret ballot. This is a point on which the majority parties are still divided.

**Schools and Universities:** Implementation of mandatory schooling, a framework law on secondary school reform and a greater role for private schools in the system as a whole.

The five-party document concludes with a statement that separate documents will be prepared on such issues as election legislation, constitutional reforms and rules for the Chamber of Deputies.

#### TV Monopoly, Amnesty

Rome LA REPUBBLICA in Italian 29 Apr 86 p 3

[Article by Giorgio Rossi: "End of the TV Monopoly"]

[Text] End of the government leadership meeting. Craxi: "A good, satisfactory agreement." The way is open to "private" television news. Amnesty of 2 June excludes terrorists.

Appointment of RAI directors is postponed till after the Council president returns from Tokyo. Disagreement with Liberals on teaching and on hours for religious education. Other important issues are put off till after the DC [Christian Democratic] congress.

Rome--According to the president of the Council, the leadership meeting that concluded yesterday reached "good and satisfactory" agreements. According to Forlani, things went "as well as possible." According to De Mita, the very long summit meeting served to "salvage most of the reasons for sticking together." Nicolazzi said he was "sufficiently satisfied." Biondi spoke of "positive agreements." Spadolini limited his remarks to saying that "it was a very hard-working meeting."

Actually, what ended yesterday after almost 8 hours in session was a summit meeting not very different from the previous six in the 3 years of the Craxi government: important issues and decisions were postponed till after the DC congress, and some of them till after the Sicilian elections in June. (The economics paper is like the previous ones, with a lot of declarations of intent but very little else concerning the budget deficit, government spending and unemployment. Appointments to leadership positions in government agencies and banks were postponed; also postponed was the appointment of the RAI president, although Socialist Enrico Manca was virtually a consensus choice.) However, two important decisions were reached: rules on public and private television broadcasting, and amnesty.

Spadolini and Biondi were the main movers on the television issue. The documentation on this issue confirmed their arguments on major points.

- (1) Sponsorships would be included in the public television advertising limit and in the broadcasting index of public and private television.
- (2) So-called "subliminal" advertising would be prohibited during programs.
- (3) A watchdog commission would be set up to verify compliance by public and private television. The parliamentary oversight commission will retain the tasks of managing and ensuring impartiality on public television.
- (4) Private parties would have the right to connection and direct transmission throughout the country, but no private individual could own more than two television networks.

### The End of the Monopoly

This is the most important decision, because it effectively sanctions the end of the national government's monopoly on television news, for one thing. For another, Berlusconi, for example, would not be able to broadcast unless he somehow divests himself of one of the three networks he owns (Channel 5, Retequattro, Italia 1). In any case, television news would not be broadcast by more than one network. Martelli confirmed that this was the most important decision and spoke favorably of "televerification." Afterwards, Gava told the Council of Ministers, "I will draft the bill in a few days."

On the second point, concerning amnesty, the agreement reached provides for initiating new provisions, presumably to fall on the holiday of 2 June, as will the exclusion of benefits for terrorist networks and subversion of the government.

At the close of the meeting, De Mita said that "Religious instruction time is a problem for the government." The issue was the subject of lively discussion during the meeting. If government project provided for parental consent to the options selected by children, and this proposal was altered by compromise; when parents enroll children in school, they must confirm in writing not only the children's choices but also the hours to be scheduled. The Liberal secretary tried to have this option made contingent on the parents' request to enroll their children. When Biondi saw he was not going to win (De Mita was quite opposed, and the others were amenable to the compromise), he initially said he would break with the majority on this point. But he ran into stiff opposition from the other secretaries, who held that the decision of the majority ought to be accepted because it was too easy to shirk responsibility. Biondi finally gave in. Altissimo will state the Liberals' reservations to the Council of Ministers and at the same time their intention to "follow majority rule."

In any case, the last word has not yet been said on this issue. According to Nicolazzi, the agreement reached "is not a true and proper agreement, because differences remain between the DC and the PLI [Italian Liberal Party] on the means of implementing the option." This sheds light on De Mita's opposition: the government shall decide. But what will happen in parliament when the deputies have to vote on such a delicate issue, one that the lay public is very sensitive to?

The general program agreement, which is supposed to be implemented by the government by the end of the year, is summed up in a document of 20-odd sections. It is an all-inclusive document that is limited, as we have said, to stating intentions and listing problems. As far as the economy is concerned, there is no substantial discussion of the merits of the measures to be adopted. The discussion of institutions is even vaguer: modifications of parliamentary rules, proposals for electoral reform (introduction of a single national electoral college is being considered), and constitutional reforms (only the conclusions of the Bozzi commission) will be examined in "separate documents" that are "to be defined." Also, approval "by summer" of the decrees on housing (mortgage redemption, reform of the IACP), land law and rent control.

#### Maxi-Meeting of the Leadership

The thorny question of appointments was set aside. However, agreement was reached on the appointment of Manca to the RAI chairmanship and on the Administrative Council within a few days, most likely when the Council president returns from Tokyo and a maxi-meeting is held with all the parliamentary majority group leaders to assign them their duties when the leadership proposals are sent up as bills.

No mention was made of foreign policy. The Council of Ministers was to deal with it later, when Craxi made a detailed report. Spadolini and Martelli both overlooked the fact that differing foreign policies exist within the majority and the government; they are supposed to be only different "sensitivities." Nor was there any mention of administrative replacement, an issue that seems to have been abandoned. Is everything all right, then? Or will the game-playing start up again and the problems of this so insubstantial summit come home to roost after the Christian Democratic conference in the summer?

De Mita gave a cryptic answer to whoever asked him if another meeting would be held after the congress: "These leadership meetings are like restructuring a business, provided the business continues to function." Will there then be a permanent leadership meeting?

8782

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POLITICAL

ITALY

BRIEFS

PCI-PRI LOCAL ALLIANCES--Rome--Is the PRI [Italian Republican Party] re-examining its policy of local alliances? Would it seem so, looking at the Roman scene? In Forli, the Republicans sit together with the Communists in the local council. In Cesena, the same thing is ready to happen in both the local and provincial councils. In Ravenna, an agreement has been reached between the PCI, PSI, PSDI [Italian Social Democratic Party] and the PRI. The question was considered at the Cesena congress, where the top party leaders participated. With some individual reservations, all of them admitted that Rome was a "special case." Moreover, Spadolini added, "We should talk with the PCI, and we can no longer let the PSI have an exclusive dialogue with the Communists." Many of them emphasized the fact that the Roman example may spread, especially in Emilia province. The PCI has proposed joint programs in Parma and Piacenza, where the five-party coalition governs. However, the Communists are a single-party minority in Bologna. [Text] [Rome L'UNITA in Italian 28 Apr 86 p 2] 8782

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POLITICAL

PORTUGAL

# INTELLIGENCE SERVICE: DELAYS, PERSONALITIES REVIEWED

## Delays Affect Take-Off

Lisbon TEMPO in Portuguese 11 Apr 86 p 13

[Text] The country's intelligence system is still bogged down. The Military Intelligence Service (SIM) is now barely functioning, while the Security Intelligence Service has a new building at Alexandre Herculano which is still not completed, and its director, Ramiro Monteiro, is working out of a borrowed office at the Foreign Service. As for the SIED, the Strategic Defense Intelligence Service, nothing more is known than the decree published in July of last year.

Another appointment which has not yet led to any practical results despite the controversy it provoked was that of General Pedro Cardoso as secretary-general of the technical commission.

The functions and characteristics of the newly created Security Intelligence Service [SIS] gave rise to a heated debate over the need for the Portuguese government to have effective defensive means to counter escalating international terrorism and the activities of subversive groups in Portugal.

Called the "new PIDE" or "secret police agency," the SIS continues to hope for better days, a fact which fills with satisfaction those holding a monopoly over information.

Political parties, notably the PC, international economic groups and a half dozen highly influential sectors in Portugal all have need of a serious intelligence service.

During the 12 years of democracy, they have been mounting their own systems for better or worse, and they are now clearly threatened by the SIS, if perchance there is political will to structure an effective, independent service capable of putting an end once and for all to the total muddle the Portuguese intelligence system is in.

However, it is not going to be easy to create a situation in which the SIS can effectively perform the functions given to it by Decree 225/85.

The problem begins with recruitment of personnel. Besides Ramiro Monteiro and a half dozen experts loyal to him, the criteria for employing future security agents and auxiliary personnel have to be established. The long list of attributes and requirements recently published by a government leader would, in the final analysis, mean that men and women would have to be recruited from another planet.

In the end, the overly strict qualifications could alone conceal what many people regard as inevitable: recruitment along party lines, the artificial creation of jobs whenever there is a change in government and, finally, the degeneration of the SIS into an agency serving political parties and pressure groups, without internal or external credibility.

But even if recruitment is conducted independently, another delicate problem immediately arises: training of personnel.

In a clear demonstration of the rampant provincialism in many services and among leaders, statements have been made indicating that future agents and specialized staff should be trained abroad in a European country.

We can cite as examples the cases of Spain and France.

In other words, Portugal is not only going to allow foreign services to have full knowledge of its "secret service," but will make it easy for certain staff members to establish preferential ties with these services. Besides the list of salaries and entitlements of all the personnel of SIS and SIED, it leaves an open door for bribery.

In fact, under the law, the personnel appointed to work for SIED and SIS are, when on the job, entitled to a risk allowance which is fixed annually. This means that the secretary, janitor and typist, for example, run risks for which they deserve to be paid. To say that it is enough to go into the building at Alexandre Herculano is to take the meaning of "risk" too far and convert a service which should be carried out with a strong sense of mission into a mercenary job with dangerous consequences.

Moreover, when they tried to apply this entitlement to the staff of the Military Intelligence Services, the Armed Forces rejected the proposal immediately because of the risks it entailed for discipline and cohesiveness in the ranks.

Meanwhile, with the government budget already approved, the people are anxiously awaiting to see what the government and SIS Director Ramiro Monteiro are going to do to give the "secret police agency" the human and material means it needs, given the fact that it will be 5 years before the new service will be in a position to operate smoothly.

As for the SIED, the situation is much worse. Nothing is known, nor is anyone predicting anything, about the appointment of its directors.



Appointments Reported

Lisbon O DIABO in Portuguese 15 Apr 86 p 5

[Text] Colonel Teotonio Pereira was appointed assistant director of the Intelligence and Security Service (SIS), O DIABO learned from a government source.

Fifty-one years old from Mondim de Basto, Colonel Teotonio Jose de Carvalho Ribeiro Pereira is one of the most distinguished soldiers in the Armed Forces, with an exemplary service record. Operations official in Guinea, Angola and Mozambique during the overseas war, Colonel Teotonio Pereira was promoted to the head of the Intelligence Office of the Chief Command of the Angolan Armed Forces.

After 25 April, he was commander of the Republican National Guard Battalion and, during the past 6 years, he has served as commander of the Public Security Police Force in Lisbon. He is currently deputy to the minister of internal administration, Eurico de Melo.

With the appointment of this high-ranking Army officer, the two top posts at the Intelligence and Security Service are filled. The director is Ramiro Ladeira Monteiro.

The other military officer appointed to that service is Reserve General Pedro Cardoso, who is serving as secretary-general of the Technical Commission.

Created by Law 30/84 of 5 September, the Intelligence and Security Service operates under the minister of internal administration.

The SIS is the only agency responsible for producing intelligence to guarantee internal security, and protecting against acts of sabotage, terrorism, espionage and any other acts which, by their nature, might alter or destroy the State.

This service is currently being set up, and the staff has not yet been recruited. According to a government source, "because of the specificity of this service, this will necessarily be a slow process, so as to avoid possible infiltration by persons who continue to perpetrate instability and undermine the security of the people and the government."

The bombing attempt on Thursday morning against Air France facilities in Lisbon is an example of this.

"For some reason, Portugal ranks second among European countries most open to terrorist acts," the same source added.

9805/12858  
CSO: 3542/90

POLITICAL

PORTUGAL

BRIEFS

USSR OFFICIAL'S VISIT--Soviet Deputy Minister of Culture Georgi Ivanov went to Marinha Grande where he visited the Irmaos Stephens glass factory and the local town council. Georgi Ivanov was accompanied by Igor Ermolaev, secretary-general of the USSR-Portuguese Friendship Association, among others. After visiting the Irmaos Stephens facilities, the Soviet deputy culture minister went to the town council where he was received by its president and town councillors. In the evening, Georgi Ivanov participated in a colloquium during which various aspects of cultural life in the USSR and possibilities of cooperation between the two friendship associations were discussed. Georgi Ivanov was received in the afternoon by the president of the National Assembly. The deputy cultural minister is in Portugal at the invitation of the USSR-Portuguese Friendship Association. [Text] [Lisbon O DIA in Portuguese 11 Apr 86 p 6] 9805/12858

KOMSOMOL DELEGATION'S VISIT--A delegation from the Soviet Union's Leninist Komsomol, which has been visiting Portugal for the past week, is leaving tomorrow for Moscow. The visit was made to help commemorate the 25th anniversary of the first manned flight. The delegation of Soviet youth, which included Nikolai Merkuchkine, an alternate member of the Central Committee of Leninist Komsomol and a deputy to the Supreme Soviet of the Autonomous Republic of Mordovia, Helena Karmin, a medical student, Yuri Emchamov, a researcher, and interpreter Dimitri Senikov, participated in public events scheduled in Lisbon, Corroios, Alverca, Porto and Coimbra. The visit by this delegation is part of the friendly relations between the Portuguese Communist Youth and Leninist Komsomol. [Text] [Lisbon AVANTE! in Portuguese 17 Apr 86 p 4] 9805/12858

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POLITICAL

SWEDEN

# SUB INTRUSIONS AFTER USSR TRIP WOULD CAUSE CARLSSON PROBLEMS

Stockholm DAGENS NYHETER in Swedish 18 Apr 86 p 9

[Commentary by Sven Svensson: "Carlsson Looks the Russians in the Eye"]

[Text] Ingvar Carlsson has looked the Russians straight in the eye. Olof Palme's policy since the Social Democratic party congress in 1984--that dialogue is better than scoldings--was followed to the letter throughout the 4-day visit to Moscow.

Precisely as expected, Ingvar Carlsson stressed to the Soviet Union's new top leadership the demand that territorial integrity be respected.

Nothing has been said so far about the Soviet leadership's attitude toward the border violations. But it would have created a worldwide sensation if Mikael Gorbachev had suddenly admitted to deliberate Soviet violations of Swedish territory. The running aground in the Karlskrona archipelago was simply an isolated mishap.

One can always hope that Swedish-Soviet relations will continue to improve as a result of the top-level talks in Moscow. Such improvement is in the interest of Sweden, the Nordic Region, and Europe.

But now that the Moscow visit is over, it appears to be an unavoidable observation that further submarine intrusions would create serious problems for Ingvar Carlsson in the area of domestic politics. It could easily become an imperative necessity for him to show results in antisubmarine operations.

The typewriters are loaded in many quarters, and more submarine alerts in sensitive Swedish waters would make them quickly explode with lines of invective. Everyone knows now that the new Soviet leadership has been informed of the Swedish Government's views on border violations, and many people would consider it humiliating for Sweden to be subjected to new intrusions despite that. As a result, the government might quickly be compelled to use force of arms to bring an intruding submarine to the surface.

Since Olof Palme's assassination and the change of prime minister, the organization of Swedish security policy seems to have stabilized. As prime

minister, Ingvar Carlsson has an obvious overall responsibility for security policy, whereas Minister of Foreign Affairs Sten Andersson sees it as his own absolutely prime duty to unite the Swedish nation behind traditional foreign policy and the policy of neutrality.

Sten Andersson's work has been successful. He was able to put a quick and effective damper on the Conservative Party's eagerness to fight by taking Carl Bildt (Conservative Party) into his broad embrace from the very first moment. There is also agreement now on putting together negotiations concerning the median line in the Baltic Sea, a subject on which the Conservatives tried to reap a party political benefit in 1982. And this year's foreign policy debate was consequently the calmest and most soporific in living memory.

Pierre Schori, under secretary of state for foreign affairs, who really had a difficult job in Lennart Bodstrom's time, has gotten more elbow room thanks to Sten Andersson's limited ambitions. Schori is therefore beginning to assert himself more and more as Swedish deputy minister of foreign affairs, even though doing so goes against Swedish tradition. As a rule, the under secretary of state for foreign affairs in Sweden's Ministry of Foreign Affairs has been a diplomat-official, not primarily a politician.

As acting deputy minister of foreign affairs, Pierre Schori was able in Moscow to sign the "Pippi Longstocking agreement" providing more money for Swedish authors. His antipole was the Soviet deputy minister of foreign affairs, Viktor Maltsev, and the event is said to have filled Schori with satisfaction.

Pierre Schori's ambition in the current situation seems to be to work with UN Ambassador Anders Ferm and Under Secretary of State Bernt Carlsson to promote Olof Palme's peace policy in the eyes of international public opinion. Those three individuals were all close friends of Olof Palme's, with an obvious base of support in the Socialist International and on the Palme Commission.

If, as Ingvar Carlsson said in Moscow, Sweden's borders are inviolable, that fact is going to cost money. The result is that Swedish border defenses must be improved or Sweden's prospects for backing up its words with force will be poor.

Obviously, therefore, the defense issue is going to cause serious conflict within the Social Democratic Party. More money for defense in the form of one more fighter squadron, airplanes, and new submarines will be at the expense of social welfare and the demands for international disarmament. A confrontation between the party's disarmament wing and its majority, which feels that the balance of security in the Nordic Region requires a strong Swedish defense force, seems unavoidable.

The story of the Swedish JAS fighter plane provides one proof of that conflict over goals within the Social Democratic Party. When they were in the opposition, the Social Democrats voted almost unanimously against the proposal, but a few months later, when they were in control of the government, they said that the nation's interests required that the JAS decision be implemented.

A reasonable degree of unity on the defense issue in the runup to Parliament's 1987 defense decision is therefore an important precondition if the current relaxed climate of debate surrounding Sweden's security policy is to continue.

It is on the defense issue that Ingvar Carlsson's ability to hold both his own party and the nation's interests together is going to be seriously tested.

The JAS issue, which is not one on which the Social Democrats have acted creditably, is one in which Ingvar Carlsson was never involved. It was handled by Olof Palme personally. In the coming defense negotiations, which will certainly have to be conducted among the party leaders, Carlsson will have the invaluable advantage of being able to start work with clean hands.

If the Moscow visit was a diplomatic test of strength, the defense negotiations will be an examination paper in domestic politics for schoolmaster Carlsson, especially if those negotiations are to be conducted to the accompaniment of more submarine intrusions.

11798

CSO: 3650/184

POLITICAL

TURKEY

# KOHEN URGES IMPARTIALITY, CAUTION ON LIBYA

Istanbul MILLIYET in Turkish 24 Apr 86 p 10

[Editorial by Sami Kohen: "Pray we do not meet!"]

[Text] The response of various countries to the U.S. assault on Libya evoked new examples of contradictions that are often seen in international relations.

Here are some of the examples:

Britain helped the United States to realize its air raid against Libya by allowing it to use U.S. bases on British soil. The fact that a country which did not favor even economic sanctions approved and even actively contributed to the dropping of bombs on Al-Qadhafi may, at first glance, appear strange and contradictory. It appears that for the British--as well as for other European countries--economic interests supersede everything else.

The same remarks can be made for France. Mitterrand did not want U.S. warplanes to fly over French territory on their way to bomb Libya. At first it appeared that France opposed such an attack "out of principle." But, as it turns out, the reason for the French reluctance to support this operation was different: Mitterrand was reportedly in favor of a well-organized and sustained military intervention that would remove Al-Qadhafi from power rather than minor hit-and-run operations.

It is ironic that France was the first country Libya congratulated and thanked for taking a stand against President Reagan. Meanwhile, Italy, which also received words of thanks from Al-Qadhafi, refrained from openly condemning the United States in its official statements.

The fact that Turkey was not among the countries Libya sent expressions of gratitude has been a topic of discussion in our press for several days. It is said that "had Ankara reacted more strongly on this issue we would have received the same message."

Foreign policy cannot be adjusted in accordance with the amount of gratitude to be received. As seen from the examples mentioned above, the side that is expressing gratitude does so out of its own interests. In international relations there is not much room for such emotionalism.

Furthermore, the reaction of many countries which are supposedly closer to Libya--such as Egypt, Tunisia, Saudi Arabia and Iraq--was not at all "strong." Many of these countries for some reason did not extend their reactions to the point of condemnation or reprehension.

Some of those who have been arguing for "strong" reaction from Ankara, point to Libya's support for Turkey during the Cyprus operation as grounds for such action. Others insist that such a stance would improve our stature in the Third World. (Let us not forget the anti-Turkish statements contained in the Cyprus segment of the statement issued after these countries' most recent conference in New Delhi.) Meanwhile, those who favor a "moderate reaction" support their arguments with Al-Qadhafi's failure to support Turkey on the Bulgarian issue, his assistance to separatists and his false allegations about Ataturk.

The truth of the matter is that these are not the factors that should determine Ankara's stance on this issue. This incident is a hot conflict that has the potential to spread and to assume international proportions.

If the objective is to keep Turkey out of this raging fire--and it must be--it is essential to avoid getting involved in or dragged into it. Naturally, it is not so easy to implement such a balanced and impartial policy. We can see the difficulties Turkey is having in doing that with respect to the Iran-Iraq war. Even so, however, Turkey is trying to pursue such a policy--and is actually pursuing it.

The continuation of the tension over Libya may create new difficulties and dangers for Turkish diplomacy. The status of General Rogers as commander-in-chief of both NATO and U.S. forces in Europe and Washington's tendency to use its bases in NATO countries for conflicts in regions outside the territory of the alliance has created risks that Turkey must watch very carefully.

As long as Ankara pursues an impartial, balanced and cautious foreign policy which is designed to keep Turkey from getting involved in disputes and conflicts that are not related to it, it will be able to remain away from these dangers.

9588

CSO: 3554/44

POLITICAL

TURKEY

# TOKER SEES NO NATIONAL MOOD TO CHANGE CONSTITUTION

Istanbul MILLIYET in Turkish 24 Apr 86 p 8

["From Metin Toker's Notebook" column by Metin Toker: "Is Constitution Permanent or Temporary?"]

[Text] Constitutions are not a part of daily life. Generally, they remain stored on the shelf while life gets reorganized in changing ways and by changing standards in accordance with the conditions of the time. Until 1960, that is the way it was in Turkey. Under a single constitution we saw the creation and the dissolution of the Progressive Party as well as the birth and the death of the Free Party. Under this same constitution a strict as well as a not-so-strict one-party system found room to grow, Nuri Demirag formed his National Development Party and four like-minded friends introduced the Democratic Party into the political life.

This Democratic Party used this same constitution to initiate the practice of establishing "inquiry commissions" which was the beginning of the attempt to rape the multiparty system. Had the Democratic Party called for early elections when it was forced to end this practice, the government would have changed within the framework of that same constitution, and perhaps the new Assembly would begin work to draft a new constitution.

Because that is when the standards and the conditions would have assumed the proportions that necessitate the review of the constitution.

The Inonu governments of 1961 through 1965 did not have any complaints about the constitution even though those years were the most troubled period of the process of establishing democracy in Turkey. The constitution stayed where it belongs, that is on the shelf, and constituted the basis for the implementation of new laws.

After that, the constitution was brought down from its shelf and was made a topic of discussion in the day-to-day political life.

It is well-known now where that practice has taken Turkey to.

Is it possible to govern Turkey democratically with the current Constitution?

Yes, it is.



It is possible because the few restrictions it contains are not so significant or severe as to scuttle democracy as a system and a regime. Furthermore, some of those restrictions are temporary. When this constitution is placed before certain esteemed individuals after the prohibitions placed on them are lifted they will probably endorse it as an "ideal constitution." Thus, when it was suggested to former members of the Justice Party to oppose this Constitution because of these restrictions, they refused to comply with the suggestion saying: "Were these not the things we wanted and defended for years?"

The problems of individuals must not be confused with the problems of segments of society.

From another standpoint, those who have been criticizing the Constitution with regard to restrictions on rights and freedoms must have noticed that the limits have been expanding; they must not forget that they may be expanded further, and they must know that if they stay on the shelf many implementations will become impossible.

There were those who claimed that the conditions did not allow the formation of a socialist party and who tried to prevent the formation of such a party by others. Did not these individuals try to form a party of their own when they were left out in the cold?

It is evident that the Constitution is a very badly written complex and disorganized document which confuses principles, powers and concepts with each other. Forcing oneself to defend these would have no other effect than putting oneself unnecessarily in a difficult position. One should not even bother to say anything. When the time comes, the necessary changes will obviously be made through the processes prescribed by the Constitution.

In fact, those who most favor changes in the Constitution are the disciples who want to place their mentors at the head of their lodges.

The Constitution is far from being temporary simply because it does not cause discomfort in the daily lives of the masses and because it does not unsettle them.

It is a permanent Constitution.

The essence of the issue will not change with organized demonstrations. Furthermore, those demonstrations constitute proof that this Constitution has not shut off the avenues of seeking redress.

If the Constitution is to be reviewed through normal processes rather than the practices of 27 May, 12 March and 12 September such a mood exists neither in the Assembly nor in the Presidency nor amongst the people.

At a time when good and constant progress is being made on the path of democracy, to ask or to expect three-fourths of the Assembly to do an about face would be nothing less than an absurdity.

Furthermore, assuming that such a majority develops in the Assembly to make changes in the Constitution, to think that the President will refuse to submit the changes to the people's vote if those changes affect the foundations of the Constitution means not knowing the President.

In such a referendum today perhaps the 92 percent approval rate will not be found. In fact, it will definitely not be found. But no one with seeing eyes would doubt that the "no" votes to the changes will outnumber the "yes" votes.

That is why the President does not have to complain that he is "the only one left to defend this Constitution." Because he is not the only one left. What defends this Constitution is the nation's common sense which has not taken a vocal position because it does not feel the need for such a change.

Furthermore, there is no "expression of a new national will" before the first general elections. The Assembly that will be formed with those elections will be the direct representation of the the nation's will.

9588

CSO: 3554/44

POLITICAL

TURKEY

## IMPROVING ATMOSPHERE REPORTED AT COUNCIL OF EUROPE

Istanbul CUMHURIYET in Turkish 24 Apr 86 p 7

[Report by Hadi Uluengin]

[Text] Strasbourg--The issue of whether Turkey will become the session chairman of the Council of Europe [COE], which has been the most recent friction point in Ankara-Strasbourg relations, will most probably be resolved today. At a meeting to be held this morning among representatives of member countries, there will be a vote on whether Turkey will be given the title of Deputy Session Chairman to replace Liechtenstein; if this is approved the "Turkish question" will be virtually eliminated from the agenda of this European organization. Although normally the issue should have been resolved at the "unofficial" meeting of the member countries' ministers last night, the absence of the representatives of the Scandinavian countries, which are now "key countries," resulted in the postponement of the issue to today. French Deputy External Affairs Minister Bariani, Swiss Foreign Affairs Department Chief Aubert and FRG Deputy Minister of Foreign Affairs Molleman said in brief statements after yesterday's meeting that the issue of Turkey's session chairmanship will be voted on this morning.

Observers note that the decision of "pro-Turkish countries" to bring the issue to a vote stems from the fact that Turkey's chance of becoming the COE session chairman "is not remote." However, it is almost certain that two Scandinavian countries, Norway and Iceland, as well as Cyprus and Greece are opposed to Turkey's session chairmanship. In order for Ankara's session chairmanship to be approved, at least two-thirds of the ministers to be present at today's meeting must vote in favor. In other words, 11 countries must vote in favor and at most 5 countries must vote against it.

The approval of Turkey's session chairmanship will be a clear indication that the 21-member COE's stance toward Turkey has "softened."

Another indication of COE's "softening" toward Turkey will come from the debate to be held today at the Parliamentary Assembly. If the parliamentarians of member countries approve an assembly commission's recommendation that the Turkish issue not be included in the Assembly's agenda and endorse the Steiner and Stoffelen report, they will prepare the ground for not including the "Ankara question" on the agenda of this European organization for the first time. This will mean that the assembly agrees with

the two parliamentarians' report that the transition to democracy in Turkey "is proceeding smoothly despite certain imperfections." According to observers in Strasbourg, if a last-minute "accident" does not happen the developments will proceed along this favorable course.

Another indication of the said "softening" was yesterday's decision of the COE's socialist group to attend the "mini assembly" meeting in Istanbul. After lengthy arguments among themselves members of the socialist group "conditionally" decided to attend the COE session to be held in Istanbul in June. Their condition essentially consists of a chance to meet with labor organizations and banned political leaders in Turkey. While British and French left-wing parliamentarians opposed the decision, the 39-26 vote in favor of the decision showed that the socialist group is also becoming "flexible."

Another favorable development in COE deliberations was the decision to allow for the first time NCTR [Northern Cyprus Turkish Republic] representatives to take part in the meetings of various political groups. A Turkish Cypriot delegation headed by NTRC Assembly Speaker Hakki Atun insisted on the need for their representation at the COE and said: "The Greek Cypriots have continually been asking for the withdrawal of the Turkish army from the island. However, the Greek Cypriot side can field an army of 100,000 if it wants to. We cannot have more than 15,000 men. The UN forces, on the other hand, cannot guarantee our security. We can see their failure in Lebanon." Observers have described the decision to allow Turkish Cypriot representatives to speak at political group meetings and the fact that the reaction of these groups was not "excessively negative" as a "notable" development and insisted that the suspension of Greek Cypriot parliamentarians' authorization documents at the COE two days ago is an "important indication."

9588

CSO: 3554/44

MILITARY

DENMARK

# LORD CARRINGTON ON VISIT DISCUSSES 'NONOFFENSIVE DEFENSE'

## Would Weaken Forces' Mobility

Copenhagen BERLINGSKE TIDENDE in Danish 7 May 86 p 8

[Article by Nils Eric Boesgaard: "NATO Would Like to See Denmark Do More"]

[Text] The more we strengthen the joint conventional armed forces the better it will be for NATO, and the less we will have to base our security on the nuclear threat, Secretary General Lord Carrington said yesterday in Copenhagen.

"The Danish armed forces have reached a minimum numberswise. It is no secret that NATO would like to see Denmark do more. But this holds true for many other countries," NATO Secretary General Lord Carrington said yesterday at a press conference in Copenhagen before he flew home to Brussels.

"The more we strengthen our conventional armed forces, the better it will be for the alliance and the less we will have to be based on the nuclear weapons threat," he added.

The secretary general was on a two-day official visit to Denmark where he held talks with the prime minister, foreign affairs minister and defense minister. Yesterday he visited the BALTAP NATO headquarters in Karup and the Armed Forces Center for Leadership at Gurehus in North Zealand. Yesterday evening he flew back to Brussels from Vaerløse Air Station.

Among the topics which were discussed were the Social Democratic Party's and the other left-wing parties' ideas regarding a so-called nonoffensive defense system, which is to be made so toothless that no attacker would feel deterred by it.

"If both sides had a nonoffensive defense there would be much to say for it," Lord Carrington said.

"But to introduce it unilaterally would only have a very unfortunate effect. If one were to give up all one's mobility (the proposal assumes, among other things, the abandonment of fighter planes and armored forces), one would

give one's prospective adversary advantages which he did not have before," the secretary general added.

Lord Carrington dealt thoroughly with the American offer of making chemical weapons available to NATO as a countermeasure against the 700,000 tons of poisonous gas and similar weapons which the Warsaw Pact has at its disposal.

Carrington pointed out that it was a question of weapons which would replace the ageing American chemical weapons which have been stockpiled for years in West Germany and which eventually will be able to be considered ineffective and unusable.

He declared that in his opinion it was appropriate to get new chemical weapons which can deter the Soviet Union from using its.

"Otherwise it can become necessary to resort to the nuclear threat, which in spite of everything is still worse."

The secretary general emphasized, however, that for the present it is just a question of an American offer to pay for, produce and stockpile new chemical weapons, and that any deployment of the weapons in Europe is to be negotiated bilaterally with the countries in which they would perhaps be deployed.

#### Paper Supports Carrington Comments

Copenhagen BERLINGSKE TIDENDE in Danish 7 May 86 p 11

[Editorial: "Defensive Ideas"]

[Text] Lord Carrington had presented to him in calm and tranquil phrases during the days he visited Denmark the Danish skepticism regarding the production and deployment of chemical weapons in Europe. The NATO secretary general thereby had confirmed the opinion he must have formed before his arrival.

For the government was quick to back out in the face of American plans for the deployment of a new generation of chemical weapons in Europe. The American justification for the need rests on the fact that the East Bloc in recent years has expended much effort on bringing up to date its arsenal of chemical military weapons. Although there for this reason can be good military logic in modernizing the West's stockpiles of chemical weapons, the mood in several European NATO countries is not to go through a new heated public debate about what will be interpreted by some as a NATO buildup. The memory of the so-called two-track resolution of 1979 and the difficulty the governments involved had in getting it secured is still clear.

However, the British ex-foreign-minister did get his opinion stated, although his chemistry in this area did not quite match the Danish. He could justify the American offer by saying that the decisive thing must be not to make oneself dependent on nuclear weapons as far as possible. For this reason

Lord Carrington must also look with skepticism upon the new Social Democratic idea regarding a nonoffensive defense. If the adversary would also introduce such a thing he would be able to see a little sense in it. Otherwise it would just make the world more unsafe, and in this matter he did not disguise his hope that the Social Democratic Party's defense ideas would come on the defensive.

8831

CSO: 3613/120

MILITARY

FEDERAL REPUBLIC OF GERMANY

# WEEKEND TRAINING FOR RESERVIST URBAN WARFARE SPECIALISTS

Bonn LOYAL in German Mar 86 pp 26-27

/Article by Manfred Werle: "Better Than Active-duty Troops--Reservists Show High Level of Operational Initiative in Urban and House-to-house Warfare"; first paragraph is LOYAL introduction/

/Text/ Twenty-three reservists from North Rhine-Westphalia recently left the Combat Troops School No 1 in Hammelburg with a course completion certificate of which they can be justifiably proud. They were the first to qualify, as squad leaders of a security squad, for the training of troops in "urban and house-to-house combat."

The "project" had begun in the fall of last year on the premises of a shutdown factory in Hagen in Westphalia. There, in cooperation with the Military District Command III and a paratrooper battalion from Iserlohn, the first training phase was carried out. The idea had come from Claus Jander, an architect from Bonn, a lieutenant colonel in the reserves and responsible for military development in the North Rhine-Westphalia land group of the reserve organization. Initially, the responsible officers were for the most part skeptical whether the attempt would succeed, and needless to say these doubts were also not dispelled by the reported number of course participants, who numbered 29, at any rate, in ranks ranging from private first class to reserve lieutenant colonel.

Hagen turned out to be a one-time undertaking, for because of protests from the population, above all the members of the Green Party, the course was moved to Hammelburg. This was doubtlessly a correct decision, for nowhere else are the prerequisites for this demanding training more favorable than in the Lower Franconian "Infantry School and School of the Territorial Army," as this training center of the soldiers wearing green collar patches, so rich in tradition, is subtitled.

The training personnel and facilities of the school, especially the two ghost towns "Bonnland" and "Hundsfeld," were created with this realistic training in mind. Whether he wants to or not, the observer does shudder somewhat when he sees how first the "pros" of the school present a training demonstration, and how the reservists as well, with great drive and military skill, then fight their way forward from house to house with weapons and equipment, fire, throw hand grenades, blow up fences, bark out commands, run, climb, and jump over obstacles.



The ranks play no role in all this, since the point of the training is to qualify the reservists who have completed the course to train other reservists--as close as possible to their homes--for a period of 2 years. Thereafter they must return to Hammelburg for refresher training and, if necessary, to acquire new knowledge. Needless to say, there is no pressure applied here. Yet anyone who views this training only as an end in itself has not comprehended the meaning and the quality of military development. It is now up to the organization and basic units of the Territorial Army to make good military use of the Hammelburg pilot project and the 23 graduates of the first course. The divergent reserve ranks of the instructors--as previously mentioned--should play no role in this. Among those qualifying, for example, were the following:

--a reserve lieutenant colonel of the Luftwaffe, a chief executive officer /Regierungsdirektor/ in the German Bundestag,

--a reserve sergeant first class, a postal official from Dortmund,

--a 45-year-old private first class (NCO candidate) from Bonn,

--an officer candidate of the reserves and student, and

--a reserve staff sergeant major pharmacist, 40 years old, who ran the best time (20.17 minutes) for the 5,000 meter run in the fitness test at the beginning of the course.

But the other 18, as well, listened with understandable satisfaction when Brigadier General Eberhard Fuhr, the commandant of the combat troops school, in the concluding discussion and the awarding of certificates to the participants, called the training and its results a terrific success. And Fuhr should know, after all, for he has good credentials in the area of reservist training and utilization. In the Ministry of Defense in Bonn, he was the responsible expert working on the reservist concept paper of 1980. The result achieved at that time was not to his satisfaction, as becomes apparent when he cites several maxims for an optimal use of reservists in the future.

In a conversation with LOYAL, centered around the "urban and house-to-house combat training" underway at the time, the general officer explained a number of elements which in his opinion were absolutely essential if one is to speak of a meaningful inclusion of reservists in the military organization of the 1990's.

#### Delegation of Responsibility

Fuhr is convinced that attempts undertaken in the 1970's with motorized infantry platoons and battalions failed because they were artificial, i.e. the element of the unit's own responsibility was missing. Everything was too rigidly tied to the Bundeswehr. An effective utilization of reservists can only be attained, however, if they receive independent tasks and--he added expressly--also sovereign tasks. In the process, the general, experienced in the territorial area, cited reasons and examples, of which only a few will be mentioned here. First of all, a system for the delegation of responsibility had to be created: In courses at his school, such as the urban and house-to-house combat just

completed, the reservists are rendered capable of giving training on their own. For this to work, however, they must then pass their knowledge on at the grass-roots level.

At this point the general underscores the demand which the reserve organization makes of its members, whenever they--and particularly the officers and NCO's--become militarily active. The militia concept--always revived whenever defense organizations are discussed--is linked by Eberhard Fuhr in a small but very important aspect with the responsibility and independence of the reservists: The Swiss reservist has his weapon in his closet and thus has the most sovereign object that a soldier can conceivably have constantly at his disposal.

By comparison, who all has to be convinced and what all has to be done here before a squad of reservists can hold a firing exercise on a weekend.

Another very practical and vivid example: A battalion or company commander serves as a reservist in his mobilization specialty. Thereafter he sinks back into a civilian environment. In Fuhr's opinion, however, he must always feel himself to be a battalion or company commander, and if he thinks he should perform a service for his troops in the interim /between active duty tours/, he should have the authority to summon together his company commanders or platoon leaders for conferences, for example, so that, on his own authority, all necessary coordination can be accomplished with the command personnel already before an exercise begins.

#### Civil-military Cooperation

Another thought could also be discussed sometime in the foreseeable future, namely whether 3 months of basic training are sufficient initially for recruits in the Territorial Army, to which, to be sure, two reserve training exercises are added each year which bring their total training commitment up to the level of the other conscripts. And the former commander of a home defense regiment presents yet another of his ideas, which could be classified as civil-military defense. When a security company secures a river bridge (military), it can for example also take over the transfer of refugees (civilian).

These and similar ideas were already included by Fuhr--and here he reacts somewhat gruffly still today--in his draft plan of 1980. But everything that pointed in this direction was deleted, he says. And yet precisely the 23 reservists from North Rhine-Westphalia exemplified with how much motivation and just plain enthusiasm they went about their tasks in Hammelburg, for the simple reason that they had felt a challenge.

But must it necessarily be the most difficult thing imaginable in infantry warfare that is taught at the beginning of a new process in reservist training? Fuhr: "Nothing is more difficult than conduct in combat with live ammunition. But this is what these reservists will be capable of at the end of the course." Additionally, under the impression of the activities taking place between the ghost houses, he opined: "I am going to prove here that demanding courses are also possible for reservists. Given the motivation of these people, I achieve optimal training in a minimum of time."

Part of the course received their "license" after three, and another part after two, weekend exercises.

And S-3 Winfried Laske, a major and a specialist in urban and forest warfare training, adds an example from the current course: For overcoming wire obstacles ("one looks like a pig afterwards"), three volunteers were needed. Eight stepped forward. He had never experienced such a thing with active-duty troops, Laske related, despite the fact that 35 infantry battalions passed through his hands each year. School commandant Fuhr is now striving for a hand-to-hand combat course for reservists, which is to run on weekends and is to end with the awarding of an insignia to be specially created for the purpose. The instructors at his school, already being used to near-capacity, will hear this with mixed feelings. On the other hand, if the military development of reservists is taken seriously, if training facilities such as the combat troops school are to offer their "know-how," then these should also be appropriately staffed. Nothing can be accomplished in this area with halfhearted efforts.

12689/12228

CSO: 3620/681

MILITARY

FINLAND

## BORDER GUARD DECIDES ON FRENCH SUPER PUMA HELICOPTER

### ASW, Rescue Missions

Helsinki UUSI SUOMI in Finnish 3 May 86 p 11

[Article: "French Super Puma for Sea Rescue Helicopter"]

[Text] The Border Guard will acquire French Super Puma helicopters for its new rescue equipment. This year's first supplementary budget also includes a decision for the procurement of two helicopters to replace the Soviet-made Mi-8 helicopters. In addition to the Super Puma, Italian-made Agusta Bell 412 helicopters, of which one is already in use and another has been ordered, will be used for rescue missions.

The AS 332 Super Puma ranked above the others in order of quality when the so-called Temmes committee made its proposal 2 years ago for the procurement of rescue helicopters.

The manufacturer, Aerospatiale, states that the range of the Super Puma is a little under 500 kilometers. At maximum weight the helicopter weighs 8,600 kilos and in addition to the crew is able to transport 27 passengers. In rescue missions the crew numbers 4--5, of whom one operates the winch and one drops into the sea to help those being rescued.

For the first time the Super Puma will have equipment and capabilities which are needed in rescue operations. Its winch will be capable of hoisting two people at a time. In addition, the winch operator will have at his disposal an automatic device by which he can regulate the movements of the helicopter in rescue operations.

### Under Water Surveillance Also

The Super Puma can also be equipped with sonar equipment, by which the movements of submarines can be observed. So far Finland has not had such a system. Indeed, ships are equipped with sonar, but a helicopter can follow a submarine at a speed tens times greater than that of a ship.

17 June 1986

Two helicopters, of which one will be delivered at the end of next year and the other in the beginning of 1988, will be procured with the 110 million in the supplementary budget. Both helicopters will be deployed in Turku.

The Agusta Bell 412-helicopters, which are originally American helicopters manufactured under license in Italy, can also be used for less difficult sea rescue missions. The second such unit, which will be put into operation next year, will be located in Helsinki.

In its report the Temmes committee proposed that sufficient readiness and the training of crews require three medium weight and three light weight helicopters. Lieutenant Colonel Martti Pakarinen, chief of the Border Guard's Flight Section, says that now there is no information on additional helicopters, but in the future the Border Guard will propose the procurement of additional helicopters.

#### Problems With Soviet Mi-8

Helsinki UUSI SUOMI in Finnish 3 May 86 p 11

[Commentary by Jukka Knuuti]

[Text] When the Border Guard receives its first Super Puma at the end of next year, it will be 8 years since the event which can be considered as the impetus behind the procurement of rescue helicopters.

At that time the Malmi ship sank in the Baltic Sea. The majority of its crew was rescued by a Swedish rescue helicopter, but some of the people drowned.

In Finland a hastily assembled work group proposed the procurement of Soviet Mi-8 helicopters. Pilots in the Border Guard considered this helicopter to be unsuitable from the very beginning. But the decision was made anyway since these helicopters could be acquired quickly and no additional personnel were needed for their maintenance.

The first Mi-8 equipped as a rescue helicopter crashed on a test flight. The accident was the result of human error. But the helicopter sank and one of the crew died because there were no emergency pontoons.

The Temmes committee appointed after this incident made its proposal 2 years ago. Last year's budget included 100 million for this purpose, but only 15 million were used for one light helicopter. The remaining 85 million were dropped from the budget since no decision was made on their use. But now it would seem that this issue is finally in order.

10576

CSO: 3617/111

17 June 1986

MILITARY

GREECE

## MEASURES TO PROTECT ARMS INDUSTRY

Athens TA NEA in Greek 22 Apr 86 p 18

/Report by Loukas Dimakas/

/Text/ The issue of co-production of the TOMP /Armored Personnel Carrier Vehicle/ for the needs of the Greek armed forces will come to an end in 45 days,

Deputy Minister of National Defense Tasos Sekhiotis stressed yesterday that "whatever decision and choice is made by the staffs is a political one and a big construction role will be given Stayer-Hellas."

Mr Sekhiotis said that a coordinated effort is being made by the Ministry of National Defense to strengthen and develop the domestic war industry and he dismissed concerns of workers in this industry that they do not have work.

Specifically, Mr Sekhiotis mentioned that he has given orders to the staffs and to the YPOVI /War Industry Service/ to decide in 45 days on the selection of the TOMP "regardless of what their choice is:" either "Leonidas" or any other one. He added, "I regard it as inadmissible that this matter be held in abeyance. From the ministry's standpoint the political decision is to give a significant construction role to Stayer."

It should be noted that in this specific instance there is competition between "Leonidas," that is built by plans of Stayer-Austria --some 110 such vehicles had been built 3 years ago-- and others primarily the American M-113. According to TA NEA's information, the order will be "shared" and part of the TOMP will be built in Greece.

Presenting data on efforts to support the EAV /Greek War Industry/, Mr Sekhiotis mentioned the following:

- PYRKAL /as published/ has assured work for 5 years.
- EAV received work this year from NAMSA ("a partnership" of NATO member countries) amounting to 1 billion drachmas. It has been charged with building a special weapons system using laser beams that was designed by the Military Air Force Research Center (32 million drachmas have already been allocated to this project).

- Competitive bids have been announced for the manufacture in Greece of 150,000 gas masks for the needs of the army. Also, the production of special protective uniforms is expected to be announced shortly. With regard to the gas masks, the program is of 5-years duration and a sum of 500 million drachmas will be allocated each year.

- A 5-year program involving many billions of drachmas has been approved for Stayer. Of this amount, 500 million drachmas relate to regular vehicles and 2 billion drachmas for the development of a military jeep (with the cooperation of Mercedes).

- Large credits are expected for Greek shipbuilding firms (state and private). Included in the projects will be the construction of fleet auxiliary vessels.

Mr Sekhiotis said, "Every consignment has a guaranteed Greek added value of 40-60 percent."

Moreover, through a series of measures the small and average-sized war materiel business firms will be strengthened.

5671

CSO: 3521/144

MILITARY

GREECE

# MILITARY VEHICLE INDUSTRY IN TROUBLE

Athens MESIMVRINI in Greek 3 Apr 86 p 2

/Text/ Salonica, 3 April--Stayer-Hellas showed losses of 1,200 million drachmas in 1985 while at the same time it has a problem in getting financing from banks. Prospects for its 920 workers are not good. The sudden drop in military orders, lack of planning and indifference on the part of management has resulted in the declining financial and production course of the Greek firm that was established in 1972.

The above statement was made at a press conference yesterday by Stayer-Hellas' Technicians and Employees Union administrative council held in the offices of the Salonica Labor Center. The subject of the press conference was "the firm's situation, worker proposals and positions for its further development."

In the meantime, in a show of protest, Stayer's employees have proclaimed a 4-hour work stoppage next Tuesday.

Noteworthy, of course, is the statement made by its adviser, Mr Lambrou, on 20 March 1986 and that was mentioned during the press conference, namely that if the firm could not prosper it would shut down. "The choice is either Stayer will prove itself in the next 3 years or else it will shut down."

Characteristic of the situation is the example of the drop in the number of orders for military jeeps which initially amounted to 18,000 but have gradually decreased to the present 420.

A second example was the initial order by the GES /Army General Staff/ for 38 buses of which only 10 were finally handed over at a price greater than other companies.

An attempt was made to make the union's proposals known to the Ministry of Industry.

At the press conference the following was stressed: "We condemn the indifference of Ministry of Industry officials because the meeting we asked for was not accepted. Despite this we propose the following:

"Worker participation in operating the company.



"The plan to build the Leonidas tank should continue forthwith since, according to information, those that have been built by the firm and procured by the Greek Army meet its needs and are superior in comparison with others of other multinational industries.

"Creation of a committee composed of specialists from the ministries of national economy, industry, national defense, interior, commerce and agriculture as well as the Ministry to the Prime Minister. The committee's objective would be to categorize and prioritize the needs of the Greek state in every type of wheeled vehicle, always, of course, within the context and fields of activity and control of the above-mentioned ministries.

"Examine on a long-term basis the creation of a national vehicle industry authority with Stayer-Hellas being the focus.

"There should be an administrative and managerial check to determine the errors committed and to assign possible responsibility."

5671

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17 June 1986

MILITARY

NORWAY

## DEFENSE RESEARCH INSTITUTE CONCENTRATING ON ASW, SIGNALS AREAS

Oslo AFTENPOSTEN in Norwegian 25 Apr 86 p 9

[Article by Cato Guhnfeldt]

[Text] Development of methods to detect foreign submarines, equipment for military communications on several levels, and the Norwegian Penguin missile are among the main projects at the Defense Research Institute (FFI) in Kjeller. An operation with "only" 500 employees and a budget of 140 million kroner, it is nevertheless on the cutting edge of global technology--in its areas of specialization. FFI was created by a parliamentary resolution on 11 April 40 years ago. This event will be celebrated today by FFI employees and representatives of the top military leadership.

Although FFI is a civilian institution, its work is comprised of research, development, and testing of military equipment. Its headquarters is in Kjeller, but there is a smaller division for underwater defense in Jorten. Although FFI concentrates on military assignments, the "Kjeller technology" has also been of benefit to civilian society, since it has been used in various products. One example from recent years is the Norwegian automatic telephone exchange that has also enjoyed some success on a global basis. Another example is the highly efficient wood-burning stove. Many ship's captains can also thank FFI for the technology it has been developing for many years in connection with sonar equipment for the fishing fleet.

"Our most important task in today's society is to make sure that the Norwegian military understands and applies results from the latest technological developments," FFI director Erik Klippenberg said. "FFI is involved with the technology of tomorrow and wants to develop materials that are suitable for the Norwegian military and for use under the natural conditions found in Norway. This brings up special requirements that we must always consider in our work," Klippenberg said.

Development of the Norwegian Penguin air-to-sea missile is a major task for FFI in its anniversary year. The missile is now in the testing stage. The project is right on schedule and cost overruns are insignificant. Top FFI leaders believe that the Penguin has the potential of becoming a worldwide success.

Another interesting development task involves defenses against foreign submarines.

"We believe we have reached some promising conclusions in several areas. Some of the new equipment has been tested, but much testing still remains," Klippenberg said. "We are also developing electronic equipment for airplanes that is intended to interfere with enemy radar. We are also working on new protective clothing, gas masks, and fuel cells. It may also be mentioned in this connection that last year's Norwegian Mount Everest expedition successfully utilized a so-called person-warmer that was developed here at FFI."

This evening when over 300 of the company's employees sit at the banquet tables in Kjeller, joined by defense chief Fredrik Bull-Hansen, undersecretary Svein Hammerstad, and others, most of the speakers will probably dwell on what FFI has already achieved. The most exciting aspect of FFI's work, however, has to do with the future. Laser technology, fiber optics, and much more may be mentioned as key words.

"Our most important tasks for the future will probably involve information technology and equipment for detecting and watching military units and personnel," Klippenberg said. Another important area will be new guidance equipment for various weapons systems.

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MILITARY

PORTUGAL

ARMED FORCES, DEFENSE MINISTRY VIEWED BY INFLUENTIAL WRITERS

Personnel Cuts Advocated

Lisbon SEMANARIO in Portuguese 3 May 86 p 16

/Article by Jose Miguel Judice/

/Text/ The speech that the Armed Forces Chief of Staff decided to deliver on the occasion of the commemoration of 25 April--which from several aspects was worthy of more or less concurring and more or less dissenting comment--did not pass unnoticed by those who are interested in the Portuguese political situation. In my case, I was particularly sensitive to the argument that the appropriations of the Portuguese military in 1986 are comparatively the lowest since 1910.

I do not know what basis General Lemos Ferreira used to make that comparison but, in my opinion, I believe it should be inferred that it is perfectly normal that it should be so; that is, that the appropriations allocated to defense in Portugal in 1986 should be substantially lower than what has occurred in previous years. I say that despite believing that it is indispensable that Portugal not become a Costa Rica, without an army, and that we have interests to defend for which the existence of the military is indispensable.

The problem is that, according to data that I have not seen denied, the greatest percentage of the expenditures of the armed forces is applied to the payment of personnel, to the point where, in the case of the army, about 80 percent of the budget goes to salaries. At the same time, it has been stated without refutation that Portugal's defense expenditures in relation to the national product are comparable to those of countries facing situations of a similar military nature.

So, if that is so, the question of the military budget is above all a question of the cost-effectiveness of resources, especially of human resources. What I mean to say is that the only way to have money for investment in defense without thereby relegating scarce resources that inevitably have to be withdrawn from productive investments is substantially to reduce the number of military personnel, surely oversized for the realities of a country that has ceased to have a multicontinental territory over which to exercise sovereignty and that has become comprised of a concentrated and reduced territory.

To equate the question in other terms, as for example to infer from the allocation of 80 percent of the army budget for salaries that more money is needed, and not that we need fewer generals, colonels, captains or sergeants, is completely to invert the equation. Portugal is a country that does not have direct military issues, whose borders are not threatened, that does not have territorial disputes or secessionist movements, that does not have a policy of intervention in other geographic areas. Consequently, it does not make any sense for us to continue to opt to maintain the weight of an army of territorial occupation laden with personnel, out of simple inertia, to the detriment of technological investment or of the special importance that should be given to the navy and the air force which, indeed, do have missions to perform with reference to the territorial waters and the Exclusive Economic Zone (and with membership in the EEC, even that can be equated in various terms).

It will be said that the armed forces perform important missions and that the barracks compounds are desired by the local governments and are the source of regional development, just as many other undoubtedly reasonable and fine things can be said. Except that that is manifestly not the problem. The resources are scarce and it is impossible to think that a small country in serious financial crisis, with accrued deficits and limited commitments can have a navy equipped with sophisticated maritime protection and control assets, an air force equipped with modern planes capable of exercising the same control function, an army loaded with staffs, structures for intervention in the NATO organization, and barracks all over the country with high maintenance expenditures. We cannot have all that; it is necessary to choose.

Hence, it is just as necessary to face firmly and with determination the issue of the state-controlled communications media (since it is inconceivable that the state should sink taxpayers' money to maintain newspapers that should be paid for by the readers and advertising, as in the whole Free World); similarly, the issue of the industrial public enterprises (since it is unacceptable that, in order to insure several thousand jobs, it should be necessary to divert scarce appropriations coming out of the pockets of hundreds of thousands of workers); similarly, the issue of armed forces personnel expenditures, putting an end to the inflation of ranks, of frigate captains without a frigate, of brigadiers without a brigade, hundreds of officers with dubious positions in terms of priority, as if Portugal continued to be at war, as if Portugal continued to have military challenges, as if Portugal continued to have a territory of many hundreds of thousands of square kilometers to defend.

It is clear that the problem in the armed forces is basically the same as that in the rest of the public administration or the public enterprises. It is easier to cut investment than public consumption; it is easier to create a department and its chief than to abolish it; it is easier to restructure staffs, which invariably leads to an increase in the number of chiefs and personnel, than to reduce structures and dismiss personnel. But that invariability can only lead us to conclude that there has to be logic in all of this, and that the reformist effort cannot stop at the doors of the barracks, just as it cannot stop at the doors of the other thousands of buildings over which a weak state spreads its tentacles.

Above all, it is necessary to understand that the authority of the state and the idea of public service are only restored when each chief of each department ceases to be the chief of the lobby of parochial interests of that department and becomes the principal agent of the modernization and reform of the Portuguese state in the area in which he exercises his leadership position. The chiefs of staff are not the representatives of the military in relation to the central authority but are appointed by the political authority to lead the military. Just as the civil governors are not the representatives of the people in relation to the central authority but the delegates of the government at the district level. The reform of the state, the strengthening of state authority have much more to do with the clarification of this simple (and one would think, obvious) fact than many perhaps believe.

#### Defense Ministry Power Vacuum

Lisbon SEMANARIO in Portuguese 3 May 86 p 6

/Article by Marcelo Rebelo de Sousa/

/Text/ Military Demands and the Power Vacuum

In his article today, Doctor Jose Miguel Judice, incisive as ever, examines some disturbing signs of dissatisfaction by the armed forces--moreover, expressed publicly--with relation to the organs of sovereignty.

He concluded that the reform of the state and the strengthening of its authority have much to do with comprehension of the fact that the military leaders are the representatives of the political authority in relation to the armed forces and not merely the leaders of the demands of the latter vis-a-vis the supreme authorities of the state. Thus, the natural surprise with which he views a current crescendo of military demands, of which the speech of the Armed Forces Chief of Staff on the occasion of 25 April was a suggestive example.

An inevitable doubt emerges from these conclusions as well as from the careful analysis of the facts on which they are based, which is the logical corollary of the whole proposition: where is the minister of national defense?

Because it is not enough to have certain conceptions, certain expedients, some strategic positions for the military demands to assume the volume they are now assuming.

Like everything else in politics, it is the vacuum that allows or amplifies phenomena of that nature.

Good or bad, the image one has in Portugal at this time is that the Ministry of National Defense represents a huge and impressive political vacuum.

From the Expenditures to the Pirate Episode

Furthermore, the speech by the ranking military leader did not represent an isolated case, a fortuitous gesture, a political comet.

It has to do with a whole panorama that progressively gained expression in recent months.

It was undoubtedly the much talked about reduction of the national defense budget for 1986.

But it was also the dilatory episode of a clash between a unit of our navy and a foreign ship having come to the attention of the government 20 days after it occurred.

It was also the singular fact of a military leader having made odd comments not very supportive of the government in a parliamentary committee.

In general, it was the climate that was created in military circles, according to which the National Defense department is in fact reduced to demonstrations of "panache" and purposes of foreign representation, without the corresponding capacity for political and even administrative action.

#### The Neglected Legislation

In his unpromising context for 6 months of government, it would have been expected that at least national defense legislation could benefit from the contribution of a civilian with long political experience and recognized juridical merit. Alas.

In parliament, the debate on the legal regulation of the state of siege and the state of emergency would not have had any draft-bill from the government had it not been for the fact that the prime minister, considering the passivity of the executive irregular, put pressure on the latter and asked the Ministry of National Defense to draft it urgently. Because, until then, the ministry was apparently satisfied with the initiative of the parliamentarians.

As for other laws, it is better not even to talk about it: the definition of mobilization and requisition; reform of the military tribunals; recourse to the attorney general in matters of national defense and the armed forces; reorganization of the military factories; updating of the juridical regulation on maritime public domain and airspace; redrafting of the statute on military status, encompassing the situation of the armed forces civilian personnel.

And we have not mentioned the more complex matters of the revision of the Military Code of Justice and readjustment of the Regulation of Military Discipline.

Apparently it is not the fact of a minister being a jurist that transforms his ministry into a fertile producer of laws. Even less than that one lost swallow which does not a summer make.

#### Not a Very Flattering Balancesheet

In any European country, it would not be necessary to insert a caveat at this point, but in Portugal it is.

There is nothing personal in what we have written about the head of the department, the minister of national defense.

We have the greatest regard for him and even harbor the greatest expectations with regard to his ability to perform his respective duties, to the point of having strongly seconded the idea of his being invited to assume that government post, in February 1985, when we were still deeply involved in political tasks, and even being entrusted with the mission of undertaking the appropriate contact, which was not successful at that time owing to strong personal reasons on the part of the invitee.

Therefore, there is nothing to mar the relationship with the individual, just as there was nothing to cloud the complex of anticipation with which we awaited his political action.

It is just that the balancesheet for 6 months of government is not flattering, even though it is provisional.

Political circles point to the irrefutable effacement of the minister of national defense. Internal Administration, Foreign Affairs, even Finances (whether one does or does not much care for the minister's formal arrogance with a certain touch of overcome timidity) have proved to have ministers with a political dimension and of public importance.

In national defense, what stands out is the absence; what is accentuated is the nonexistence; what predominates is the weakness. Which becomes more evident in times of some international political-military ripple, when it is misunderstood that a minister of national defense should be a sort of Portuguese public relations man in NATO or a precise coordinator of the actions of the military leaders. Because in no country in the world is national defense something comparable to the Ministry of Fisheries, the Department of Commerce or the Subsecretariat of State for Sports: distinctions that are inherent in the idea of the state...

#### The Conscience of the Prime Minister

Naturally, in this climate, would not military rumblings, tensions, restlessness arise?

In politics there is no vacuum. We have reiterated that ad nauseum. New initiatives immediately take charge of filling it.

The minister of national defense does not concern himself with the preparation of draft-bills, so Parliament takes care of it.

The minister of national defense concedes to ask the legal services of one of the military departments to prepare essential regulations, so the military departments ask themselves what is the minister of national defense good for.

Because of lack of time or for reasons of personal inclination, the minister of national defense prefers to be politically and administratively self-effacing, so his subordinates begin to speak louder, to disseminate their complaints, to take his heat.



On top of that, the minister of national defense was also the deputy prime minister and leader of the second party of the coalition in the two previous governments. Although there were many complaints about his unavailability for three concurrent positions, the truth is that there are already many in the armed forces who are longing for those days.

Furthermore, formerly there was a secretary of state for national defense who absorbed the shocks, took care of administrative management, consulted the military leaders at length and systematically, and filled in the gaps, the absences, and the omissions of the minister. He was a patient and fulfilling alter ego.

Now the minister of national defense is neither a deputy prime minister nor even a secretary of state. Which by itself, while not decisive, diminishes the position.

Now there is no secretary of state to formally help him and naturally substitute for him. Which, while also not being a determining factor, makes his absence or effacement more manifest.

If, adding all this, the minister's political weakening is real, then no one should be surprised at or shocked by barbed speeches on the occasion of 25 April. The government is hearing what it deserves.

There remains a consolation and a half. A consolation--that the prime minister once again certainly understands what is happening and in his usual "one-man show" tradition is advancing to fill the breach. Thus, for example, the 3 million contos for gasoline for the military which he kept in his pocket as a palatable compensation for the vexations of a weakened minister.

A half consolation--Doctor Leonardo Ribeiro de Almeida has a political instinct, and political instinct demands that no one commit suicide governmentally speaking through carelessness or neglect.

Now that it has become manifest to many Portuguese that there is no minister of national defense, as a result of the speech by the Armed Forces Chief of Staff, Dr Leonardo Ribeiro de Almeida has plenty of time to do the obvious: to take effective charge of the position with which he was formally invested 6 months ago, trying to understand that not everything the military leaders say merits condemnation from the outset....

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MILITARY

SPAIN

# INSTALLATION OF ANTIAIRCRAFT SYSTEM DELAYED

Barcelona LA VANGUARDIA in Spanish 22 Apr 86 p 21

[Article by Pedro Conde Zabala]

[Text] It will take time before Spain's modern antiaircraft defense becomes operational because the Roland and Skyguard-Aspide missiles, purchased for 50 billion pesetas, are still pending delivery. This delay in readying the Spanish defense has returned to the limelight in the wake of the Mediterranean crisis.

Madrid--The recent Libyan-U.S. military conflict has increased the tension in the Mediterranean. Khaddafi's threats against Spain and those countries that could provide assistance to U.S. forces again raise the issue of the Spanish defensive systems, particularly the antiaircraft, already analyzed on the occasion of the NATO referendum and in connection with the Joint Strategic Plan (PEC), which was approved last year.

Through the Ministry of Defense headed by Narcis Serra, the Spanish Government has already approved budgetary appropriations exceeding 50 billion pesetas to improve its medium- and low-altitude antiaircraft systems, but it will be some time yet before the Roland and Skyward-Aspide missiles are installed in the south and east of the peninsula, and on the Canarian coast.

The same will happen with the improvement of the high- and medium-altitude Hawk and Nike missiles, as well as with the warning and control network, which will be made automatic and linked to NATO's Nadge.

On the other hand, the potential of the air force will remain precarious until delivery of the first F-18A's of the FACA Program, which will probably arrive in July. Fighter-bomber planes, warning system and low-altitude missiles were considered to be extremely urgent by the military commands, although evaluation problems, trade discussions and dearth of appropriations delayed their acquisition.

## The Contract with Euromissile

During 1983-84, army specialists studied the possibilities of three models of low-altitude missiles: the U.S. Chaparral, acquired by Morocco; the

British Rapier, installed in Gibraltar; and the Franco-German Euromissile consortium's Roland, which was the one finally purchased.

The contract with Euromissile was signed on 25 October 1984 for the acquisition of 414 Roland missiles and 18 launchers at a cost of little more than 21 billion pesetas. Those were the official figures. Subsequently, there have been references to a total of 475 missiles and the original number of launchers, at a cost of 29 billion pesetas.

This purchase entailed an added value of 12 billion pesetas, and it was announced at the time that 60 percent of the missile would be comanufactured in Spain. But the deployment of the Roland is still months away.

As to the Skyguard-Aspide missile adopted for point defense--the foregoing was for area defense with mobile units--the governmental decision was made in October 1985, and 200 missiles and 13 launchers were purchased from the Italo-Swiss Contraves-Selenia consortium for a total of 21 billion pesetas. Those missiles will be preferentially installed in the proximity of the Mediterranean coast and the Strait of Gibraltar, areas of maximum interest. The compensation negotiated with the Italian Government amounts to 45 percent, and will entail an added value of 5 billion pesetas.

This missile was already known to the Spanish armed forces inasmuch as the army adopted the Skyguard air defense system for the fire control of the 35-mm Oerlikon antiaircraft gun. The navy already had the point defense Aspide for the second series of the "uncovered class corvettes. This missile is the most advantageous for the Spanish industry in the field of electronics.

The first battery will be delivered directly by the Italian Contraves enterprise, and the remaining six will be assembled by the Bazan enterprise. It is foreseen that the seven Skyguard-Aspide batteries will be delivered between the first half of 1988 and the end of 1989.

Finally, the government approved in due time the outlay of 4,572 million pesetas to upgrade the 24 Hawk missile launchers, which together with the 9 Nike missile launchers constitute the high- and medium-altitude missile system of the Spanish Army.

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17 June 1986

MILITARY

SPAIN

## PARTICIPATION IN EFA PROGRAM PLANNED

Madrid YA in Spanish 24 Apr 86 p 14

[Article by Fernando Rueda]

[Text] Spain will spend 400 trillion pesetas during the next 8 years in the design and construction of the European fighter aircraft (EFA), a program in which Great Britain, Germany and Italy are also participating, all of them in a larger proportion than Aeronautical Manufacturing Corp [CASA].

The cost entails 100 trillion pesetas more than the price of the 72 F-18A's that the U.S. firm MacDonnell Douglas sold to the air force and which will start arriving next summer. The Spanish industry has formally integrated into the new enterprise that has been set up for this purpose.

This is the first time that Spain has actually planned its European defensive needs, included in the joint strategic plan, although specialists consider that participation in the EFA could bankrupt the air force, precluding it from acquiring any other type of materiel or armament if in future years a new government fails to provide a substantial increase in defense outlays, which currently does not reach 2 percent of the gross domestic product while it exceeds 4 percent in neighboring countries.

Nevertheless, if the current restrictive policy on military expenditures prevails, the CASA AX Program, whose feasibility study is being concluded, will have to stop. As announced yesterday by Fernando de Caral, president of CASA, it is possible to finance and build this new plane of the future which already has met with the approval of the industries of the sector in Germany, France and the United States, and which could be operational in 1993-95. The AX, like the EFA, is contemplated in the TEC, which is indicative of the precedence of its acquisition particularly at this time, in light of the experience of the Libyan conflict, which hinged on air power.

Going back to the EFA, it should be stressed that the desire of the Ministry of Defense is to have the industries of the aeronautical sector participate in the contract in order to undertake as readily as possible the 13 percent share that Spain has decided to assume, which, though the

smallest portion among the four countries, amply exceeds the original commitment because of the withdrawal of France, which was not pleased with some of the characteristics of the fighter.

Morocco, Turkey, Qatar and Chile are some of the countries that have shown the most interest since they are present at the second holding of Cosmos, the aerospace and defense fair being held at the Gerona airport since Monday and until Sunday, whose difficult access has considerably curtailed the number of visitors.

In order to benefit the most from the fair, the Ministry of Defense has included the national enterprise Bazan and the manufacturers of materiel for the air force, taking advantage of the visit of Arabian and African secretaries of state and general directors of armament to display to them not only the air materiel, but also any weapon that can be exported.

The visit of Denense Minister Narcis Serra, scheduled for today, Thursday, has been postponed possibly until Saturday, when King Juan Carlos will visit the fair for a few hours. The postponement has upset the national and foreign exhibitors, who, when they decided to come to Gerona, counted on the support implied in the visit of the person that, in the final analysis, is the chief purchasing agent of the Spanish Government.

[PHOTO CAPTION:]

A frightful cost -- The amount of 400 billion pesetas that Spain will have to contribute for the construction of the future European fighter aircraft is considered by some experts to be a mortgage on the future of the Spanish Air Force.

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MILITARY

SWEDEN

# BOOK BY WILHELM AGRELL ANALYZES REASONS FOR SUB INTRUSIONS

Stockholm DAGENS NYHETER in Swedish 15 Apr 86 p 6

[Article by Anders Ohman]

[Text] The submarine intrusions directed against Sweden are one result of the fact that the big powers reappraised their entire military strategies as far back as the 1960's. Sweden's role in that game between the big powers was altered in such a way that the country presumably wound up inside the zone where the Soviets consider that they will have primary security interests in the event of a war with the United States and the latter's allies.

Those conclusions are drawn by peace and conflict researcher Wilhelm Agrell in a new submarine book entitled "Behind the Submarine Crisis" that will soon be published. According to the author, the book is an attempt to throw more light on the security problems represented by the submarine intrusions.

Wilhelm Agrell has interviewed various key persons and studied previously inaccessible material, especially material from the 1950's.

He feels that the occurrence of submarine intrusions along the Swedish coast is not something inexplicable or even remarkable.

"The idea that intrusions are something exceptional is based on normal Swedish logic, not on knowledge of the actual military activity that has been engaged in by the superpowers since World War II and the risks that have been accepted in situations of this kind," says Wilhelm Agrell.

From 1977 to 1979

Intrusions, including those by minisubmarines, have occurred sporadically throughout the postwar period. A crucial change occurred during the period from 1977 to 1979, when systematic underwater activity more similar to that of a task force began.

The Navy officially lists the Huvud Skerry incident in 1980 as the point in time when foreign submarines began to appear in a new and more provocative way.

The Soviet submarine U-137 went aground in Gasc Bay in October 1981, and a Swedish debate on underwater intrusions has continued ever since. In the Hars Bay incident in 1982, the Soviet Union was pointed to by a parliamentary commission as the intruding nation.

Wilhelm Agrell says that the debate taking place since the U-137 went aground has been characterized by confusion and intense conflicts in which it has seemingly been possible to win support for every conceivable opinion.

#### Ignorance

"When discussion of the submarine intrusions began, Sweden's strategic location, like developments in the Nordic Region and the Baltic Sea area, had been attracting hardly any obvious interest for two decades. The result was that there was hardly any general knowledge in the government's innermost reaches of the historical and strategic context in which the intrusions should be placed in order to make them comprehensible," says Wilhelm Agrell.

Wilhelm Agrell told DAGENS NYHETER that the grounding of U-137 was unforeseen but was the chance event that changed the history of the world.

"It provided a scrap of knowledge concerning military activity and the deliberations that take place behind closed doors," DAGENS NYHETER was told by Wilhelm Agrell.

In all probability, the systematic submarine intrusions resembling the work of a task force were not intended to be discovered. The author says that the change in that type of activity during the late 1970's was part of a larger change affecting not only the Baltic Sea area but the entire Nordic Region and the surrounding sea areas.

Wilhelm Agrell relates that major strategic change to the "strategic imperative." New technology and new ways of making war are leading the big powers to define new strategic interests in other countries and regions.

"The groundwork for the current process was presumably laid as far back as the 1960's, but was misinterpreted in Swedish security policy," says Wilhelm Agrell.

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MILITARY

SWEDEN

LIBERAL PARTY MP: TRAIN FEWER RECRUITS, IMPROVE QUALITY

Stockholm DAGENS NYHETER in Swedish 17 Mar 86 p 3

[Op Ed Article by Hadars Cars]

[Text] "Train fewer recruits per year but train them well. Everyone else, both men and women, must receive training to be able to make a contribution to the total defense. This would reduce costs but increase the quality in the army's wartime organization," writes Hadar Cars, member of Parliament (Liberal Party).

Sweden's security policy situation has become more exposed in recent years. An expression of this is the repetitive submarine incursions. The north European and North Atlantic area is attracting greater attention from the superpowers. An arms build-up and military activities in the area have increased. The Defense Committee has also pointed toward the increased risk for surprise attack, and that the Nordic area could be affected already in the beginning phases of an open conflict between the blocs. In addition, the commander-in-chief maintains that our defensive capability compared to that of surrounding areas decreased progressively during the 1960s, which is also shown by the fact that our effective combat units have been greatly decreased in number.

Is Sweden Secure?

It is against this background that the 1987 defense budget will be estimated. It is therefore important that this budget will signify a turning point in the development that now threatens to create a harmful imbalance between the security policy demands on our military and on the military's ability to meet these demands. The issue is not only what the military may cost, but also how this must be shaped with respect to the changes which occur in our vicinity.

Both within the navy and air force there has long been a development toward easily maneuverable, high quality, and, as far as can be judged, less vulnerable weapon systems. This has still to a great extent occurred at the expense of the number of units.

In the army the development has been different. The number of brigades and other field units today is for the most part the same as it was 20 years ago. A certain modernization has come about, but not even our brigades with priority



have completely satisfactory training and equipment today. For example, the infantry and Norrland brigades lack protection from shrapnel as well as AAA which can function in darkness and against aircraft at higher altitudes.

The brigades cannot count on much support from the helicopter units for combating armor and as transports, either. In addition, from an international perspective the soldiers receive very short training which all too infrequently allows the possibility for combined maneuvers in larger units, that is to say, units composed of different types of troops. According to the commander of the army, for economic reasons one has also limited maneuver activities even during the short time the soldiers are called up, which has led to gaps in training with "negative consequences for the units' utility in wartime."

At the beginning of the 1970s, the government lowered the demand that combat units should be comprehensively useful, so that in principle they only have to be able to accomplish their main missions. The demand that they should be directly prepared for deployment immediately after mobilization still remained. The short training period, suspended refresher maneuvers, and economic limitations in general have now led to the fact that not even this limited goal can be fulfilled.

In light of this, it is doubtful that the army could accomplish the tasks it would be up against in the case of an armed attack on our country. There is the risk that larger parts of our army combat forces will be in the wrong place at the wrong time and also would have insufficient training and equipment in the beginning phase of a war. Nonetheless, the very beginning phase is of the greatest significance in terms of our ability to ward off the attacker and limit the destructive effects of the war in our country. With respect to the situation now in effect and keeping in mind realistic economic conditions, it appears mandatory to evaluate more thorough changes in the military's continued development.

First of all, training must be improved. A serious limitation is the lack of training officers, which mainly is due to the fact that many of the best officers seek civilian work for different reasons. Therefore, special appropriations are needed so that competent military personnel will choose to stay in the military. This is a problem for all branches of the service. It is an unreasonable waste of resources that many well-trained officers leave the profession when they are needed in important positions both within the peacetime organization and in combat units. It is not less important to get and keep skillful combat unit commanders who can lead their units in an effective way and correctly use the often complicated and expensive material.

Just over 10 years ago the conscription period was reduced for most recruits from 9 to 7.5 months. Since then, this has had such negative consequences on training that one must now seriously consider reinstating for many of the recruits the training periods previously in effect. Even 9 months remains a short time in comparison to the periods adapted in many other countries with a conscription system.

Furthermore, the training system must be changed so that there continuously will be units who have come so far in their training that they can be deployed

upon a surprise attack to, for example, tie down airborne or advance sea-landed forces until the mobilized field units can attack. This means that the training units must be sent to the units organized for wartime during the latter part of their training. The continued training must then mainly come about in the form of adapted combat unit maneuvers, with emphasis placed on the areas where the risk for surprise attack is judged to be greatest. The months when such units on alert cannot be organized within the framework of basic training, refresher maneuvers must be carried out.

Many reasons speak for such a change in the training system. Mainly, we must perceive more than before the increased risk of surprise attack. This was maintained already in the 1982 defense budget and has again been emphasized by the defense committee currently in session. This does not mean that an armed attack against our country would come like a lightning bolt out of the clear sky. However, if war comes, it can very well come unexpectedly in the sense that we were not able to mobilize military forces and were not otherwise able to adapt society from peace to war. The risk is great that signals and signs of preparations for attack against us will lead to essential decisions not being made in time due to incorrect interpretations, delays, an inability to decide, foreign pressures, and perhaps even an unwillingness to contribute to the escalation of an already tense situation. Therefore, the training system must be changed so that we even now attain greater basic preparedness for all types of situations. An additional reason for basic training in wartime-organized units is that in this way increased possibilities for combined maneuvers between units from different types of troops are attained. Furthermore, the recruits would surely feel stronger motivation if, even during the later part of their basic training, they could be inserted into units with real missions to solve in the event of a surprise attack against our country.

In the meantime, it is not only training which needs to be reformed. Our prioritized infantry and Norrlands brigades must, for example, also receive increased operative mobility through different forms of shrapnel protection and more effective AAA. Very soon, the issue of the army's continued mechanization must also come to a satisfactory solution.

The proposals which have been put forward cannot be carried out without increased costs. It should be possible to cover those partially increased defense appropriations, but quantitative reductions probably also will be essential.

One possibility for reducing costs in order to increase the quality in the army's wartime organization would be to only provide basic training for the recruits going to the prioritized units, that is, the 20 modernized brigades as well as the divided units and others who are needed in order to lead and support them. With the change of personnel within these units over the course of 8 years, the army would not need to newly train more than about 25,000 recruits per year, as compared to the current 38,000. The infantry brigades which are not modern--if these must remain--as well as local defense units, would with few exceptions be manned with personnel who would be transferred from the prioritized units afterwards, that is, when the recruits are about 28 years old. They would remain in these units thereafter, until they attained

the age of 36 to 40 years of age, when they would suitably be transferred to guard units or units with special watch missions. There they would then stay until they turned 48 years of age, when they are no longer recruits. This means that the army's wartime organization would be somewhat less than is now the case, but it would get significantly higher quality as well as personnel and material, especially with respect to the prioritized units.

If fewer recruits are trained, the costs are reduced for recruit benefits, maneuvers, etc. Also, the costs of administration, facility management, etc., would decrease. When the recruits are grouped together after 5 and 5 and 1/2 months' training into special wartime unit garrisons, two classes of recruits should also be trained annually at every peacetime unit. In such a case, this would open up additional possibilities for saving money in the peacetime organization, money which could be used to improve training and acquire new material for the prioritized units.

Does this then mean adopting a position against the principle of general conscription? The answer is no. This principle is of great significance in attaining broad popular support for the military. It is therefore also a gap in our current system that conscription only encompasses male citizens, while women are left outside. The military must be a concern which affects us all--men and women. We must all take part in defense, everyone according to his ability and with respect to the needs which remain within the entire total defense.

This is an important principle. In contrast, it is of less significance whether or not all men receive military training. What must then happen is that the general conscription be expanded to a general total conscription for women as well as men. All citizens, when they reach the ages of 18 to 20, must learn what they can do to protect themselves and others in the event of war, for example, in an air attack. Everyone must also receive basic training on the total defense--not least of all on psychological warfare, which we can find ourselves up against--and on the measures which must be taken in the event of mobilization and war. Such training can be provided within the military defense to those who are called up to military service, and within the civil defense to those who receive their main defense training there. For others, this basic training should come about in special sequence.

The basic thoughts are as follows: No one shall be left completely outside of society's preparations for our defense. Everyone must therefore receive a certain total defense training and must know what they can and shall do if war comes. For the special training which is needed for different wartime positions within the military as well as the civilian parts of the total defense, those must be selected who are most suitable for the respective positions. In the meantime, such training should not become a personal object. It must therefore not encompass more than what is needed to be able to accomplish the different missions of the total defense.

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MILITARY

SWEDEN

#### BRIEFS

WORLD'S FIRST FEMALE CHAPLAINS--The defense staff is now trying to recruit female chaplains as field chaplains and therewith Sweden would become the first in the world to have them. In the Swedish wartime organization about 800-850 field chaplains are included, or approximately 1 per battalion. The recruitment need is now 35 to 40 field chaplains per year. The defense staff hopes that sometime next year the first female field chaplains can take part in a refresher maneuver. According to the Geneva Convention field chaplains are issued a pistol, which still must be used only in self defense. [Text] [Stockholm DAGENS NYHETER in Swedish 16 Mar 86 p 18]12562/12766

CSO: 3650/160

ECONOMIC

DENMARK

# INDUSTRY ORDER BOOKS IN GOOD SHAPE DESPITE SLOWER GROWTH

Copenhagen BERLINGSKE TIDENDE in Danish 7 May 86 Sect III p 10.

[Article by Vøgg Løwe Nielsen and Kristian Hjulsager: "Good Order Situation"]

[Text] There is still talk of especially good activity in Danish industry.

Industry's order and sales situation is still developing favorably though the growth is hardly as strong as in the second half of 1985.

The construction and plant sector is in a period with an especially positive employment development, and the considerable growth in this sector is reflected in the production progress in, among other things, bricks, clay and the glass industry.

## Industry

Industrial firms expect a considerable growth in production and the receipt of orders in the present quarter, whereas the employment level is expected to be fairly unchanged.

Growth expectations are greatest within the intermediate products industry as well as the consumer goods industry, whereas the investment goods industry expects a more moderate advance in production and the receipt of orders.

At the start of the quarter there was talk of especially good utilization of production capacity in all branches of industry. There is talk of insufficient capacity in parts of, especially, the consumer goods industry.

If industry is looked at as a whole, it was a question of the fact that 16 percent of firms--viewed in relation to their importance employmentwise--at the start of the present quarter indicated that they had production capacity which was more than sufficient, while 9 percent indicated that their production capacity was not sufficient, and, accordingly, 75 percent indicated it as sufficient.

## Construction and Plants

Firms in the construction and plant building sector expect a pronounced rise in employment in the April quarter.

Weighed in relation to their importance employmentwise, 48 percent of firms expect increasing employment, while only 8 percent expect declining employment. It is especially in connection with plant building workers that a pronounced advance in employment is expected.

The main results of the Danish Statistical Bureau's latest studies of firms' assessments of progress in the state of the market are presented below.

The results are based on assessments for a good 1300 major business firms.

Accordingly, included in the study are about 700 major industrial firms which together employ about 60 percent of those people employed in industry, as well as about 650 of the larger construction and plant building firms representing a third of the total number of those employed in the construction and plant sector.

### Production and Investment

	<u>Latest</u>	<u>Level</u>	<u>Change percentagewise*</u>	
			<u>One month over</u> <u>one year</u>	<u>Three months</u> <u>over one</u> <u>year</u>
Industry (excluding shipyards), fixed prices, 1980 = 100				
Sales	Feb 1986	119	5	5
Receipt of orders	Feb 1986	121	2	4
Orders on hand	Feb 1986	145	13	14
Construction, 1000 square meters				
New building permits	Feb 1986	536	14	9
Construction begun	Feb 1986	398	1	13
Housing construction begun	Feb 1986	119	7	45
Newly registered vehicles, number:				
Larger delivery vans	Mar 1986	2211	45	51
Trucks	Mar 1986	1139	16	22

\*"Over one year" expresses the percentage change for the last month as compared with the same month of the year before. "Three months over one year" expresses the corresponding change on a 3-month basis.

## Main Trends

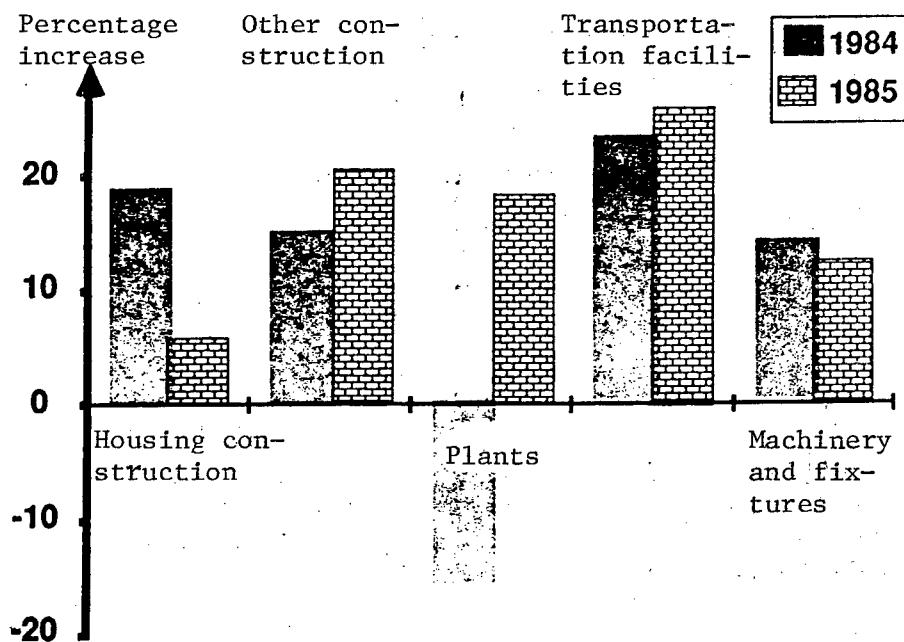
Industrial firms have a high utilization of production capacity. In the consumer goods industry for many firms it is a question of insufficient capacity.

The construction and plant building sector expects considerable growth in the level of activity. Employment is expected to grow for both construction and the plant building sector.

All construction branches have a shortage of skilled manpower, and some also have a shortage of unskilled.

Investment in new trucks and delivery vans for industry is setting a new record in 1986.

Growth in Fixed Gross Investment (1980 Prices)

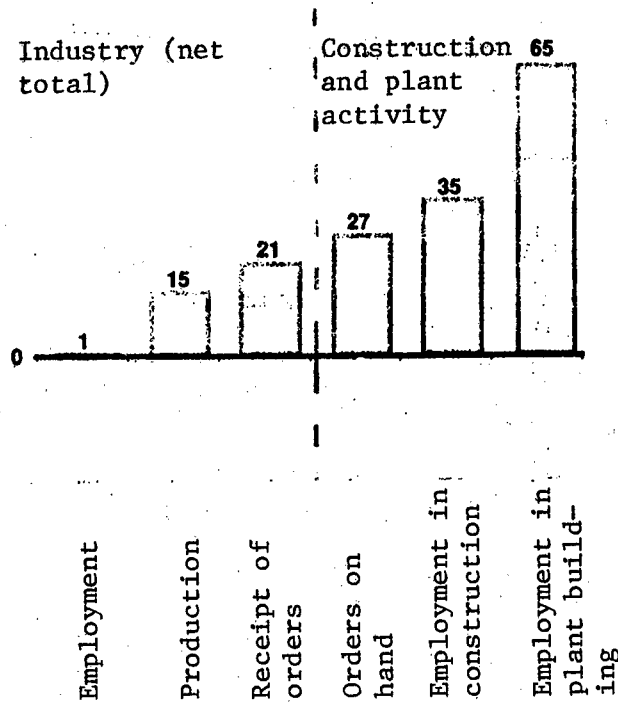


All items of investment showed growth volumewise in 1985. In 1984 there was a drop in plant investment because of lower investment in the gas and oil sector.

## The Second-Quarter Chart

The main results of the studies for the second quarter are presented in the chart below.

Expectations for second quarter, as compared with first quarter, of 1986



Firms in the construction and plant building sector expect considerable growth in employment in the present quarter. Industry expects considerable growth in production and the receipt of orders with an unchanged employment level in the quarter.

In the chart the expectations of firms for the second quarter of 1986 are divided between production, employment and receipt of orders, etc.

Expectations are expressed by a "net figure," i.e., the difference between the share of those firms questioned which expect an increase and a drop, respectively, in the individual quantities.

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ECONOMIC

FRANCE

# MINISTER DISCUSSES PRIVATIZATION MEANS, GOALS

Paris LES ECHOS in French 30 Apr 86 pp 2-3

[Interview with Camille Cabana, ministerial delegate in charge of Privatization, by Jean-Michel Lamy, Didier Duruy and Nicolas Beytout: "We Will Resort to Controlling Blocs To Avoid Unfriendly Takeover Bids"; date and place not given]

[Text] Privatization is a much more complex operation than the brutal act of nationalization. A basic observation which the government considers a little more every day. The first discussions, in committee, both in the National Assembly and in the Senate, have demonstrated this very well. It is as delicate to find good concrete modes of making the operation a success as it is easy to display great principles and draw up a list of companies to be returned to the private sector.

In the interview granted to LES ECHOS, Camille Cabana, ministerial delegate in charge of Privatization, emphasized the multiple elaborate precautions the government wants to take. The assessment of the titles? A committee of wise men will arrive at a just price. He specified that the administration will surround itself with outside advice. There is no anxiety within government circles about the financial market's capacity to absorb. The objective between now and the end of the year is to limit oneself to a single significant privatization. And to the extent that the potential buyers are numerous, they assure us that the paper offer will make it possible to calm down the game.

On the other hand, the way shares are sold to the public will require a great deal of diplomacy. Accusations of racketeering will flourish. Thus, the minister specified that each enterprise will have the right to a specific treatment. About 60 companies are involved. Each time the role of the political power will be to discover good buyers based on synergies and a national or international development strategy. Hence the central idea of "a controlling bloc" to help in sorting things out. As a matter of fact, those controlling blocs could be sold at a higher price than the scattered shares.

The process of denationalization will also have to overcome a number of obstacles. Specifically the tricky question of control of foreign participation. A regulation should set the maximum at 15 to 20 percent. The effect of public opinion is also important for the transition to small shareholders.

Even though for a few years now the French have become more familiarized with the stock market mechanisms and are more willing to invest their money in shares, the country is far from being as receptive as Great Britain for example. Hence, government work on the idea of participation will be essential.

But in the immediate future, the government will have to overcome the inevitable constitutional appeals on the enabling bill, currently being debated in the National Assembly, before starting on the first real act of privatization. In this case, to confirm or appoint new chairmen and managing directors at the head of the public sector enterprises. A period of uncertainty for the top management of companies which under the best of circumstances will last until the end of June.

[Question] The enabling bill will probably be the object of an appeal before the Constitutional Council by the opposition. Is there, in your opinion, a risk of annulment?

[Answer] We faced it by taking maximum precautions. It is good to specify that, on the one hand, there will be a bill which could be the object of an appeal on the basis of unconstitutionality and, on the other hand, regulations which could be referred to an administrative judge for exceeding authority during the period between their appearance and the moment they are ratified.

[Question] How are you going to deal with the problem of the monopoly of the CGE [General Electrical Company] in the telephone centrals? Didn't the preamble to the 1946 constitution provide for the nationalization of enterprises in cases of monopoly?

[Answer] Well no, the CGE is not a problem. The CGE does not have a monopoly: the CGCT [General Telephone Centrals Organization] works in the same sector and has 16 percent of the market. If you want to engage in casuistry, then the monopolies are the SNCF [French National Railroads], the EDF [French Electric Company], and SEITA [Commercial Tobacco and Match Manufacturing Company], but not the CGE which is a competitive enterprise.

[Question] And what about the nuclear area?

[Answer] Personally, I don't believe that you can apply the idea of de facto monopoly to sectors of this kind.

[Question] Won't those probable appeals to the Constitutional Council prevent you from sticking to the deadline of the end of May which you have set to settle the enabling bill?

[Answer] The end of May may be a little soon. If you consider that the annulment deadline to clear the appeals to the Constitutional Council will have to be added to the parliamentary debates, this could make us lose several weeks. Hence, an estimate for the end of June would be more reasonable.

[Question] Could this extension of the deadlines cause you to reconsider your project to privatize one enterprise this year?

[Answer] We will very quickly harness ourselves to the regulation which will set the general conditions for privatization, but also to the texts of implementation. I think that thus the whole legal and statutory arrangement will finally be ready before the end of the summer, which will give us the opportunity to complete a significant operation before the end of the year.

[Question] Which one?

[Answer] We have not made a choice. We will do so during the summer. In 1 month we developed this project, which was submitted first to the Council of State, then to the Council of Ministers, and then to the National Assembly, where we spent a certain number of hours. We can't do everything at once.

[Question] Aren't the insurance companies the most interesting?

[Answer] The insurance companies are certainly among the national enterprises easiest to denationalize. When privatized, it will be possible to use them to denationalize other enterprises, either through an increase of capital or through an improvement of their own funds. But in any case, our calendar will be pragmatic. We will not pursue the privatization of all insurance sectors, and then of all banking or industrial sectors. Priorities will be defined in every sector and the companies involved will go back on the market as soon as possible.

[Question] Aren't those deadline extensions likely to weaken the chairmen and managing directors of the national enterprises? Wouldn't it be more useful to let it be clearly known who will stay and who will go?

[Answer] Until the moment when the enterprises are privatized the state will be the shareholder. Hence it is normal for it to appoint the chairmen and managing directors. Why do you think that they will be anxious? When the time comes, that is to say as soon as the enabling bill is promulgated, the government will do its job and make nominations. For now, I am totally unable to tell you who will stay and who will leave. That will, in due time, be the object of arbitration at the highest level.

True, an enterprise needs stability at the top. But you really shouldn't exaggerate. Not all chairmen and managing directors are so sensitive. The majority of them are working normally as Mr Balladur has asked them to do. There may be a period of indecision, but if it does exist it will probably be inevitable and very brief. We are making it an absolute priority to ensure that at every moment every enterprise has a president and a stable board of directors, without a transition period as those enterprises experienced for more than a year in 1981 and 1982. And it must also be recalled that some of those national enterprises have had four different managers in 5 years. We in turn have the greatest awareness of the need for a management team which is very rapidly recognized and re-recognized and is stable.

[Question] How will you put in place the "airing" of the public sector?

[Answer] Article 8 of our bill allows for the airing of the public sector by establishing in principle that the law must authorize the privatization of those enterprises in which more than 50 percent of the capital is held by the

state or which have been nationalized by law. For all the other enterprises, it will be sufficient to make decisions of an administrative nature.

When you say a simple "administrative authorization," this covers everything related to the statutory field: decrees in the Council of State, ordinary decrees, ministerial or inter-ministerial orders, preliminary authorization or the system of declarations a posteriori. For very easy cases, there will be a declaration a posteriori by the Treasury department after which the authorization will be considered given if there is no opposition on the part of the Ministry of Finance. In fact, there will be a whole gradation, but it will be established only at the level of the regulations. Its spirit, however, is clear: to allow national enterprises to make all their management decisions with the greatest flexibility and independence.

[Question] What will the fate be of the subsidiaries indirectly held by the state when the latter decides to disengage itself from the parent company? Will the document have to list all the subsidiaries which will become private?

[Answer] No. From the moment that the parent company, which holds the shares, leaves the public sector, the subsidiaries will ipso facto also leave.

[Question] Will the privatization of enterprises be total or will the state keep some shares?

[Answer] As a general rule it really is a question of privatizing without keeping any shares. But it is possible that it will be somewhat different in some cases, specifically for the protection of national interests. They can be protected in two ways: either by making sure that the state maintains a relatively important number of shares in them, a blocking minority, or through a "golden share" mechanism. That system can be applied to all the areas targeted by Article 223 of the Treaty of Rome, referring to matters touching on defense. In those cases the state will decide on the way it will protect its interests.

[Question] Which enterprises could be involved?

[Answer] Under current circumstances, the debate is open. Will they, for example, decide that this category should include the oil companies, the CFP [French Petroleum Company] or Elf Aquitaine, or will they limit themselves to that which ensures the authority of the state in those enterprises, that is to say the law of 1928? My feeling is that to keep shares in the capital does not give anything more than the law of 1928.

[Question] Is it possible then to imagine a system in which the state would hold only a minority of the capital but would have a double vote?

[Answer] That is not a very good formula. You cannot want one thing and its opposite: you cannot want a liberal economy with competitiveness and competition and maintain for the state a position of privileged shareholder which may possibly cause the other partners to flee.

[Question] Could the protection of national interests be applied to television?

[Answer] The protection of national interests in the broader sense of the word certainly, and in any case there will be a statement outlining a whole series of obligations for the television companies. On the other hand, this does not seem to me a priori to make it indispensable for the state to maintain a significant participation in the capital.

[Question] In the case of oil and communication, don't you run the risk then of being accused of being liberal only as a front but fundamentally antiliberal by maintaining the supervision and locks which will allow you to control the enterprise exactly the way you want to?

[Answer] I believe that if we use that type of instrument with moderation we will not be open to criticism. On the contrary, the greatest risk would be to sell the national heritage for a song, to put it up for auction to satisfy the appetite of foreign countries.

Our approach is of a liberal nature. We want a competitive economy, with competition. The fact that in some cases we will have to take a few precautions discriminately to preserve national interests cannot affect the general idea, and that protection is indispensable, clearly on a temporary basis, during the period when the new shareholding system of these companies is being stabilized. That is why, in my opinion, it is a question only of maintaining control for the sole purpose of protecting national interests and of using this in those cases where it can be unquestionably justified. We must prevent undesirable hands from being able to get hold of French enterprises. Under those circumstances, such systems constitute a guarantee of independence for the new shareholders.

This being so, that does not mean that it will be necessary not to permit foreign capital involvement in French enterprises and that idea should be received with a great deal of serenity, because the internationalization of our enterprises is indispensable. Simply, we must not one day wake up and discover that a jewel of French finance or industry has surreptitiously fallen into the hands of a foreign investor because the matter had been badly overseen.

[Question] What guarantees do you intend to find in terms of indemnification?

[Answer] There is no symmetry between nationalization and privatization. Nationalization is an expropriation which justifies a just and prior indemnification. Privatization is the transfer of ordinary shares based on the price adopted and determined by the market. The regulations will specify the criteria on which the assessments will inevitably have to be based. They are the traditional criteria by which an enterprise is assessed. The market does that on a daily basis and evaluates what an enterprise represents based on the value of its assets, its results, the prospects of the company, if the case arises the existing stock market capitalization, and based on those data it develops a price margin. We will have a committee of wise men which will verify those assessments in a very technical manner. The government will set the sale price on the basis of this advice, which will be made public.

We know that some enterprises already have very precise audits at their disposal, but that is not the case for all of them. We will graduate our preliminary investigation relative to information about the company's situation as it is right now.

To establish the state of the enterprises, the administration will surround itself with outside counsel. It doesn't have the means to do it and is perhaps not well placed for that. In the same spirit, the committee of wise men will consist of one or two magistrates but especially of professionals from the private sector, in any case of more members from the private sector than from the administration. And those professionals will be characterized by the fact that they will have no interest in the enterprises to be privatized nor belong to enterprises susceptible of having an interest in the purchase of an enterprise to be privatized.

[Question] Does the stock market increase interfere with your projects?

[Answer] It has been noted that the enterprises already mentioned as potentially privatized sometimes have high rates. This is due simply to the prevailing imbalance on the Paris market between supply and demand. What is certain is that we are going toward a situation in which the offer of paper will progressively increase and where it is possible to think about achieving a balancing of the rates.

That is very important for us. If we want to do significant things from the point of view of small shareholding, the supply prices must maintain a certain relationship to the usual value of the enterprises.

[Question] What method are you going to use to sell the shares to the public? Do you intend to have recourse to dispersed shareholding or to controlling blocs?

[Answer] That is also an extremely important problem and one that has not been resolved yet. I am convinced that there will be as many formulas as there are enterprises. I don't think that it will be possible to invent a coat that would uniformly fit everyone. We have not stopped saying that we will have a very pragmatic approach.

The problem of dispersed shareholding or controlling blocs is indeed a strategic problem of primary importance. An enterprise with completely atomized shareholding is definitely easy prey to unfriendly operations. Hence, it will be necessary for us to make a decision about the problem of controlling blocs and the conditions of their formation. One thing is certain: it is not the state which will form them but the market, it is not the state which will set the price but the interaction between competition and market.

The main difficulty of this problem is industrial and national. Faced with the serious accusation: "the government has made an agreement with a few groups, they have made an arrangement among them," the greatest temptation would be to say: the committee of wise men will decide on a price margin. The government will make the decision to sell at such a price, and then it will make an offer for the sale of all shares on the stock market. And they

will let the "chips fall where they may," at the risk of witnessing an unfriendly takeover. Can the government of France allow itself such an attitude?

Nevertheless, it is clear that this problem will be settled with the others in a transparent and competitive manner by leaving the final decision up to the market. Next, it will be up to the shareholders to defend their capital against savage aggressions. We would like the privatized companies to become real companies as soon as they have recovered stable private shareholders.

[Question] What place have you reserved for small shareholding in the process of privatization?

[Answer] That is an objective clearly stated in our privatization program. No figure has been put to it. But, within the framework of the regulation, we will specify the conditions in which arrangements will be made to benefit small shareholding and in this shareholding by employees which the government wants to strongly emphasize. In the finance bill we have already taken measures aimed at closing the gap between benefits granted to shares and those granted to bonds. It is a measure to prepare the environment for small shareholding. That is the first step.

Whatever the case, arrangements will be retained to serve small orders on a priority basis. Privatization gives us a unique opportunity to give its real dimension to shareholding. For me, this is an absolutely vital objective and one which constitutes the best barrier against a possible renationalization. As soon as the French are really and to a significant extent owners of their economy the ideological debate will cease of its own accord.

[Question] Will you carry out the complete privatization of an enterprise before going on to the next, or will you operate on several fronts at once?

[Answer] That is not a question we can answer categorically. Mr Balladur told parliament: "I would prefer to carry out fewer but do them completely." That being the case, does doing it completely mean carrying it out all at once? It is perhaps easier to carry out a privatization progressively rather than a single one all at once. But, whatever the case, it involves going down as quickly as possible to below 50 percent.

[Question] What is your reaction to Serge Dassault's statements asking to quickly buy back a part of the capital held by the state?

[Answer] The problem of Dassault's privatization will be examined in due time, as will the others be.\*

[Question] What will the deadline be for implementation of privatization?

[Answer] We expect to achieve it before 1 March 1991.

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\* Mr Serge Dassault stated yesterday that the family wanted to regain control of the Avions Marcel Dassault-Breguet Aviation company "before the summer."

[Question] At that time, will you tackle Renault and the steel industry?

[Answer] We'll see. But as far as Renault is concerned, we are up against the difficult problem of its statutes. It would be necessary to transform Renault into a corporation with its total capital held by the state. The greatest urgency is for the state to fulfill its obligations as a shareholder with regard to the state owned company.

[Question] How will you maintain representation of the wage earners on the board of directors?

[Answer] It is our ambition to amend the 1966 law on commercial enterprises by adding arrangements making it possible to offer every enterprise the option of having representatives of the wage earners on the board. That is to say that French companies, and not only the privatized enterprises, would face a situation in which they could opt either for the 1966 law, or for this law amended to allow representation by wage earners.

That is a difficult problem which was unfortunately not well resolved by the law of democratization of the public sector from the point of view of confidentiality, specifically and solely for the public sector. Hence, our social ambition is broader than that of 1983. The text will, of course, be prepared together with the minister of justice, because he is responsible for the law on corporations, and the minister of social affairs.

[Question] Have you thought of using privatization to reduce the country's debts? Specifically the Giscard loan?

[Answer] The state budget is fed simultaneously by indirect contributions, by taxation and loans. It would not be abnormal for the resources which can be obtained by the privatization to be used to reduce the size of the debt. The idea to use the Giscard loan is one idea; it is not the only one. That is a hypothesis which should not be excluded.

The use made will be financially as orthodox as possible and the product of the privatization will be integrally devoted to capital operations: recapitalization of those public enterprises which need it, reduction of the debt in terms of capital. As you see, we are far from having to sell the family jewels.

Thus privatization could constitute an exemplary operation for the economy, for the state, and for every Frenchman.

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CSO: 3519/167



ECONOMIC

GREECE

# POSITIVE, NEGATIVE EFFECTS OF FOREIGN EXCHANGE FREEING

Ahtens I KATHIMERINI in Greek 13 May 86 p 12

[Article by Giann. Kotofolos]

[Excerpt] Beginning today, the commercial banks will buy and sell exchange at prices they will determine, in accordance with the recent Bank of Greece decision. In other words, each bank will be able, by itself, to decide at what price it will buy or sell exchange, for an amount up to 25,000 U.S. dollars. These prices can have a variation of four percent more or less than the average exchange parity, which is to be announced by the Central Bank of Greece.

Implementation of the above system is considered unquestionably positive for the commercial banks and for freeing the banking system, but "conflicting" as concerns the benefit to parties involved--in other words, mainly those buying exchange for tourism, education or health reasons.

Actually, with the freeing--to a degree--of the exchange market, the creation of a competitive climate between the commercial banks is favored since each bank will distribute the exchange sought with its own prices. In the long term, this will certainly be positive for every interested party, who will make his exchanges at the most favorable price created on the market.

## Slight Increase

By contrast, however, during the first period of the measure's implementation, it is expected that a slight increase in prices will be noted, given that most banks will try to exhaust the four-percent margin to cover the losses they have had up to now from the distribution of foreign money. On the other hand, it is considered certain that Greeks who want to buy exchange for the reasons referred to before (tourism, etc.) will procure the required amount of foreign money from the banks much more easily and quickly.

9247

CSO: 3521/147

17 June 1986

## ECONOMIC

GREECE

## INDUSTRY LOSSES SAID TO AFFECT INDUSTRIALIZATION

Athens I KATHIMERINI in Greek 17 May 86 p 13

[Text] In the annual report of the Association of Greek Industries [SEV] on "Greek industry in 1985" are published interesting data on industry's capital and finance structure, from which it emerges that the entire manufacturing sector ended up 1984 with incredibly inflated net losses.

More specifically, it is reported that:

The 3,113 AE [joint stock company] and EPE [limited liability company] type industrial enterprises operating in 1984 noted a negative outcome, that is, losses valued at 38.5 billion drachmas, versus the total losses of 11.7 billion drachmas noted by the 3,157 enterprises in 1983. This more than tripling of the total losses, though the number of enterprises which are "living" decreased, resulted mainly from enterprises which had noted net losses in the previous year. In the loss-incurring enterprises of 1984, the average amount of losses per enterprise, at current prices, was increased 77 percent versus the previous year, while in the gainful 1984 industries, the average amount of net profits per enterprise, again at current prices, was increased 20 percent versus 1983. Thus, for a third year in a row, the losses of loss-incurring enterprises surpassed the profits of the corresponding gainful enterprises and the total outcome for the entire manufacturing sector not only remained negative, it more than tripled. The return on industry's own funds in net (after amortizations) profits was -13.6 percent, versus -3.5 percent in 1983 and -4.7 percent in 1982.

This deterioration in industry's results was expected, of course--although not to the extent noted--because it resulted from jointly influencing factors whose effect has been expressed systematically and with a constantly greater intensity throughout the last decade. These factors acted through the following phenomena, which resulted in the continual shrinking of industry's profits and inflating of its losses:

1. Inflation of all the components of the cost of production and, above all, of labor per product unit, and of the cost of energy and raw materials. This inflation coincided with a restrained increase in proceeds because of artificial compression of prices with the existing system of controls.
2. Displacement of Greek products on both the domestic and foreign markets because of the intense competition of foreign products from countries with significantly lower rates of inflation, costs and prices.

3. Irregular financing structure and increased cost of capital in Greek industry because of the financing insufficiencies caused by these same losses. These insufficiencies are being created in the formation of both fixed capital and working capital.

These phenomena and their results have led to an industrial crisis which is being imprinted, among other things, on the balance-sheets of the industrial enterprises.

#### Summary of Ascertainments

The principal ascertainments from the analysis which follows are summarized as follows:

1. There is a continuation in 1984 of the clear tendency toward deindustrialization which has been observed in the last five years and which is reflected, among other things, in the number of enterprises which have quit operating. In the area of AE and EPE enterprises, this number rose to 199 units, versus 186 units in 1983 and 160 in 1982. Deindustrialization is also imprinted on the development of fixed capital. The average amount of gross fixed capital per industrial enterprise increased 14 percent at current prices in 1984, whereas the corresponding amount of net fixed capital (that is, gross capital minus amortizations) increased 11 percent, also at current prices, in a period in which inflation surpasses 20 percent annually.
2. There was also a continuation in 1984 of the downward trend for new enterprises entering the industrial sector. The number of new industrial AE and EPE enterprises during the year was just 155 units, versus 167 in 1983 and 346 in 1980.
3. The drop in the participation of equity capital because of the constant inflating of losses is continuing. For all industry in 1984, the proportion of equity capital in the total capital was only 15.6 percent, versus 23.4 percent in 1983 and 26.5 percent in 1982. In loss-incurring enterprises, equity capital has been reduced to nothing.
4. Industry's burden from borrowing with short-term, as opposed to long-term, loans continues to increase steadily. The proportion of long-term loans in the total liabilities was cut to 21.6 percent in 1984, versus 26.7 percent in 1983, 29.5 percent in 1980 and 35.9 percent in 1975.
5. Because of the credit policy for the private sector, the participation of banks in industry's borrowed capital continued to decrease. The proportion of bank liabilities in the total liabilities of all industry was reduced in 1984 to 51.4 percent, versus 58 percent in 1983 and 61.1 percent in 1982.

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ECONOMIC

GREECE

BRIEF

ETVA LOAN FROM JAPAN--ETVA Hellenic Industrial Development Bank has contracted from the Japanese capital market a new bond loan amounting to 5 billion yen (approximately 4.1 billion drachmas). The bonds were purchased from the Japanese Banks and Insurance Companies Group under the direction of the Dai-Ichi Kangyo Bank. The bond loan has a 10-year duration, a 5-year grace period and regular interest of 6.5 percent a year. The issuance of the bonds was at par. The previous similar ETVA bond issuance in 1983 and 1984 had interest rates of 8.6 percent, 7.9 percent and 7.8 percent respectively as published. /Text/ /Athens I VRADYNI in Greek 29 Apr 86 p 15/ 5671

CSO: 3521/144

ECONOMIC

NORWAY

# ECONOMY GREW BY EIGHT PERCENT IN LAST HALF OF 1985

Oslo AFTENPOSTEN in Norwegian 29 Apr 86 p 47

[Article: "Stronger Norwegian Economic Growth Last Half-Year"]

[Text] The growth in the Norwegian economy became stronger at the end of 1985 and the beginning of 1986. Norway's gross national product grew by eight percent during the second half of 1985.

At the same time, demand has changed dramatically so that exports have stagnated, imports have increased greatly and private consumption and investments have increased--according to the Central Statistics Bureau in its latest summary of economic trends.

The bureau also points out that growth in employment has been unusually strong, and that relative increases in prices and wages have changed very little. It also points out that the combination of the growth in domestic demand and the falling price of oil will worsen the Norwegian foreign trade balance; the bureau does not fail to mention that we will have a deficit of 20 billion kroner in 1986.

As concerns the future, the bureau says that the growth in private consumption was unusually high and stable throughout all of 1985, but that interim figures for 1986 suggest a more moderate growth. The strong increase in wages and employment, however, can contribute to keeping increased consumption up during 1986 as well.

Investments outside of oil and shipping increased strongly in 1985 and according to industry's own investment plans, the growth will continue in 1986. Housing investments will increase slightly and investments in the oil and oil-related sector are somewhat uncertain because of oil price uncertainties.

The bureau points out that Norwegian exports have declined and that the increases in Norwegian prices and wages continue to exceed those in countries to which we export, which suggests that we will continue to lose foreign markets in 1986 as well. The growth in imports was unusually strong in 1985 and will remain at approximately the same level in 1986.

12578

CSO: 3639/105

ECONOMIC

NORWAY

## INDUSTRY LEADERS SEE CONTINUED STRONG MARKET IN CHINA

Oslo AFTENPOSTEN in Norwegian 21 Apr 86 p 21

[Article by Terje Svabo]

[Text] Beijing, 20 April--Nine Norwegian companies have now opened offices in China. Export representative Bjorn O. Bjornsen told AFTENPOSTEN that these companies were doing well, but that one of Norway's goals should be to increase our share of the technology trade with China. According to Bjornsen, we are still far behind Sweden and Denmark.

The 1985 figures show that Norway increased its exports to China by a good 8 percent over the 1984 figures.

From 1983 to 1984 exports increased by an extraordinary 100 percent. Last year Norway sold goods to China worth 628 million kroner. It is interesting to note that this export volume is now as great as our sales to the Soviet Union.

Shipbuilding is not included in these figures. So far, developments in this area are encouraging. At present, four Norwegian ships are being constructed in China. Two of them will be used in the North Sea oil business.

Export representative Bjornsen told AFTENPOSTEN that several major contracts were signed last year. In particular, he mentioned Kvaerner and Hafslund, which is heavily involved in hydroelectric projects in southern China. The Norwegian Export Council will expand its activities in this area. Early this fall Sigbjorn Haraldsen of National Industri will be the Export Council's hydroelectric power representative in Beijing.

Bjornsen said that the following nine companies had opened offices in China: DnC, Kreditkassen, Bergen Bank, PlaMa, NOSAC, GECO, EB, NPC, and Statoil. Concerning their activities, the export representative said that the banks were performing a good and useful service for their customers, especially by bringing them into contact with Chinese enterprises. He said that the other companies were making money, as well.

Norway's exports to China comprise no more than 1 percent of our total exports. Bjornsen stressed that China was not a primary market for Norway,

but that several Norwegian companies were interested in establishing themselves here. The general interest in China seems to be on the decline, however, and those companies that are now involved are companies with some particularly good chance for success in the People's Republic.

Bjornsen said that Norwegian interests had also noted that 1986 was a year of consolidation in China. Contract negotiations are now slower and the money is harder to get.

Bjornsen said that the honeymoon was now over for China and that China was now trying to adjust its development to the needs and demands presented by the open-door policy.

9336

CSO: 3639/101

ECONOMIC

NORWAY

## WAGE INCREASES GREATER THAN THOSE OF COMPETING COUNTRIES

Oslo AFTENPOSTEN in Norwegian 18 Apr 86 p 35

[Article by Cecilie Norland]

[Text] Norwegians are at the top of the list when it comes to wage increases. With a 7.5-percent limit in this year's agreement, we are far higher than important export markets and competing countries such as Sweden, Denmark, West Germany, and England. Norwegian workers will not only have the highest wage increases by percentage--unlike the other four countries we will also have higher wage increases than the year before. Norway has gone from a wage increase of 6.2 percent last year up to the 7.5-percent limit this year. The other countries have gone down by 0.1 to 2.95 percent.

Of the other four countries, only Sweden has concluded its wage negotiations. Negotiations in Denmark will be held this fall, but according to all indications the wage increases will be lower than last year. West Germany is in the midst of negotiations, but an approximate ceiling has already been set. Wage negotiations in England are a continuous process, since they occur on the company level.

### Sweden 1.2 Percent Lower

Swedish wage negotiations this year resulted in a 5-percent increase this year and 4 percent next year for LO (Federation of Trade Unions) affiliates. This increase includes an estimated wage drift of 1.5 percent. Both sides in the agreement have stated that a strong effort should be made to keep the wage drift within this framework. Sweden had a wage increase of 6.2 percent from January 1985 to January of this year. This means that the increase this year is 1.2 percent lower than last year's wage increase.

### No Drift In West Germany

West Germany is now involved in wage negotiations. The negotiations are held within each industry in the individual regions but there, as here in Norway, the overall framework is put into place once leading industries and districts have completed their negotiations. There is no wage drift in West Germany, since they have no local wage negotiations.

The pace-setting metals industry will probably conclude its negotiations today or tomorrow. It appears to be heading toward a 4-percent increase. The



entire industry collectively will have an increase of 3.5 to 4 percent this year and this will set the standard for the remaining agreements. The public sector has received an additional 4.2 percent.

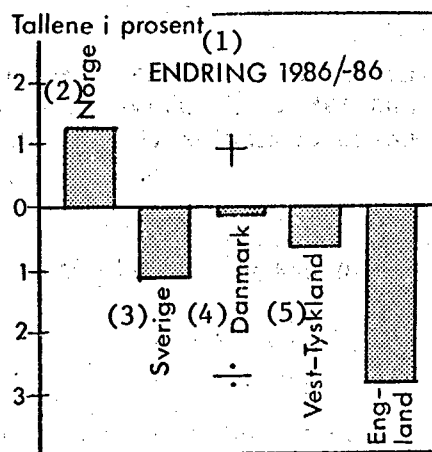
From January last year to January this year West Germany had a wage increase of 4.7 percent, which means that this year's increase will be 0.7 to 1.2 percent lower than last year.

#### Believe In Lower Increase In Denmark

The Danes will conduct their negotiations this fall. The present agreement is a result of a parliamentary resolution that set a 2.5-percent framework from March last year to March this year and 1.5 percent from March this year to March next year. Last year the wage increase was far higher than this limit. It reached 5 percent. The increase is now much lower, however, and the Danish Employers Association foresees a "considerably lower" wage increase in the future.

#### 6.25 Percent In England

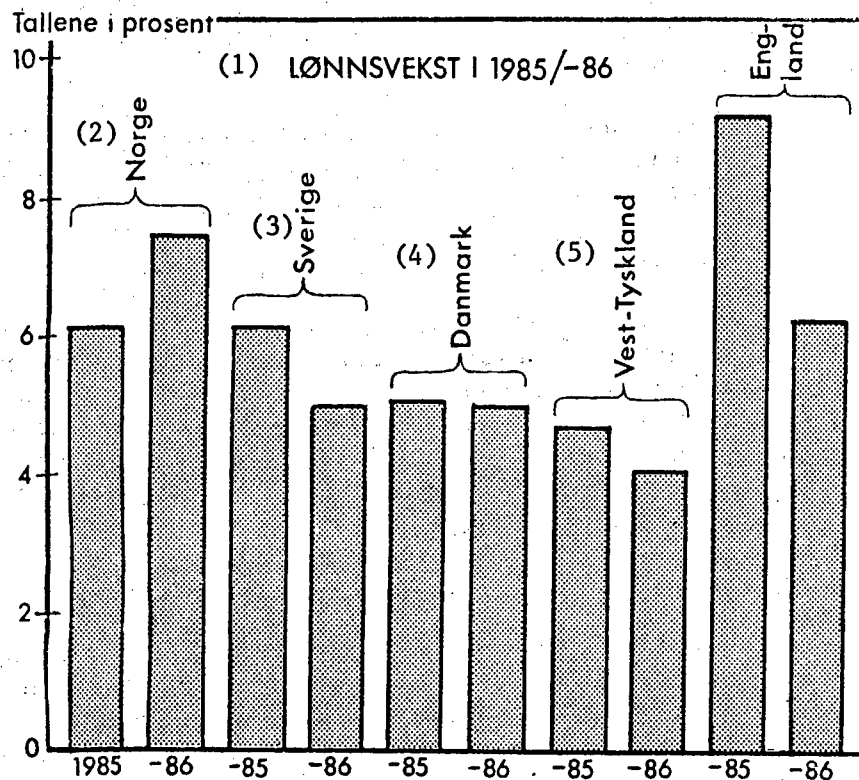
The statistics for England show that companies collectively will pay 6.25 percent more in wages this year. All negotiations occur with the individual company and the increases vary between 4 and 7 percent. Last year the English had a wage increase of 9.2 percent. Thus, this year's figure represents a drop of 2.95 percent.



This graph shows that wage increases in Norway will be greater this year than last year, unlike our main export markets and competing countries, which will have a lower wage increase this year than last year.

#### Key:

- |                           |                 |
|---------------------------|-----------------|
| 1. Figures in percentage: | 3. Sweden       |
| Change 1985/1986          | 4. Denmark      |
| 2. Norway                 | 5. West Germany |



This graph illustrates wage increases in Norway, Sweden, Denmark, West Germany, and England in 1985 and 1986. It shows that Norway will have the highest wage increase of all these countries this year.

Key:

1. Figures in Percentage: Wage increases in 1985/1986
2. Norway
3. Sweden
4. Denmark
5. West Germany

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ECONOMIC

NORWAY

## OIL PRICE DROP ALREADY THREATENS LIVING STANDARD

### Trade From Surplus to Deficit

Oslo AFTENPOSTEN in Norwegian 26 Apr 86 p 3

[Article by Cecilie Norland: "Expensive Food, Less to Make Do On"]

[Text] In the coming years, Norwegians will spend their vacations at home, reduce their visits to the beauty parlor and think twice before switching cars. Put bluntly, it is in this manner that we can tighten our belts in order to adjust to the strong decline in oil income. A decline in income which, through increased taxes and fees and lessened government support for food items, among other things, will give each and every one of us less to make do on. Oil income will be 30,000 kroner less per Norwegian than had been calculated for the period from 1986 to 1989.

The oil price decline already has shoved the Norwegian economy from surplus to deficit in the balance of trade. The government's much-discussed Easter package is obviously just a mild advance taste of the belt-tightening measures which must come and the effects of which will be felt by all of us.

With the current oil price, Norwegian oil income will be 120 billion kroner less than calculated from 1986 to 1989. With 4 million Norwegians, this means a decline of 30,000 kroner per head. The adjusted estimates for oil taxes show a markedly declining curve. Last year, tax income was 12,875 kroner per Norwegian; with an oil price of \$15, or 100 kroner per barrel, oil income will be reduced by 9,125 kroner, to 3,750 per person this year. In 1987, the contribution by oil taxes to the national budget will be only 1,750 per citizen--a decline from 11,125 kroner last year.

### More Expensive Food?

The decline in the price of oil will produce a deficit in the national budget and a deficit in the balance of trade. Therefore, the finance department is preparing for Norwegian borrowing from foreign countries in the amount of 7 billion kroner initially, but this will not mean that private household budgets will remain unscathed by the loss of income. Calculations have been made concerning how long and to what extent the losses can be balanced through borrowing, and all signals are that the government will increase taxes during the course of 1986. By reason of the need to finance the National Insurance Program, gross taxes will increase irrespective of developments in the price of oil, but one cannot ignore the possibility that the government will take even stronger measures than planned in view of the decline in oil income.

Another possibility for taking more money into the national treasury is to increase fees, for example, on gasoline, tobacco and liquor. Additionally, the authorities can reduce subsidies for food items, among other things--something which would, however, increase food expenditures for every single household.

Up to now, there have not been clear signals of how we would feel the loss of income, but no politician has left any doubt that the national budget for 1987 will be dominated by cutbacks.

#### Borrowing Not Solution

With increased duties and lower disposable incomes, one obviously can maintain consumption through borrowing or cutting savings and investments down to nothing. With today's high real interest rates, it does not pay to borrow--foreign borrowing appears to have slowed down--and no one counts on Norwegians being able to borrow their way out of the tight situation. Housing investments however, will barely decline even though prices appear to be likely to flatten out at the end of 1986 and beginning of 1987. Studies of the effects of the decline in income show that the amounts which will be needed for housing and food are, so to speak, not contingent upon income--unless a drastic decline in income should come about.

#### Fewer Auto Purchases

With the decline in income, it will be auto purchases and auto maintenance which Norwegians will cut down on first. The studies show also that we will buy less gasoline and oil; we will use a car less during the down periods. Additionally, vacation travel to foreign countries is one of the first things to be limited even though many alternative vacations in Norway very easily can be more expensive than a trip to a foreign country. TV, radio and video purchases decline quickly as well when income is less, and it is reasonable to expect that such purchases will suffer the same fate in situations where other and more necessary goods become more expensive.

The tables showing the effects also point out that we will buy less sports equipment, drink less soda water and other drinks, and cut down on the consumption of exotic fruits and berries with lessened income. Purchases of cosmetics and jewelry along with hair-care also are dependent on income and are of the type expenditures which can be reduced in the family budget.

The studies of how we will cut back when we are forced to do so are hardly shocking. The least necessary items are reduced first, and these are the same purchases or investments which increase when income rises. Last year, when we lived happily with an oil price of 236 kroner per barrel, automobile sales rose; now, they can decline again.

#### Finance Minister Issues Warning

Oslo AFTENPOSTEN in Norwegian 30 Apr 86 p 5

[Op Ed Article: "Norway Threatened by Increasing Debt"]

[Text] Purchasing power must decline by at least 10-15 percent, and /no/ government can guarantee full employment if the growth in expenditures becomes

too great. If our economic policy is not changed, Norway's net debt in 1995 will be equally as large as the entire gross national product. These were the main themes in the strong warnings which Finance Minister Arne Skauge asserted during yesterday's debate. Because of the foregoing, he asserted that it should be possible to accept the first and very limited cutback measures.

Skauge distanced himself from what he called the Labor Party's gloom and doom predictions relating to the social profile in the Willoch government's social policies. From 1981 to 1986, child welfare allowances have risen in real terms by 33.7 percent and the rates for support deductions by 42.4 percent. Additionally, special deductions have been expanded for people with limited ability to pay taxes, and the limit for tax-free income for retired people has been raised by nearly 25 percent for single people and nearly 20 percent for married couples.

"The growth in disposable real income for industrial workers with average salaries and two children has been good and significantly better than the general real wage growth for industrial workers. This also says something about a certain profit sharing policy," said Skauge, who asserted further that additional measures have been implemented to counter the problems of total tax-avoidance.

The finance minister emphasized that the government's efforts both with the social contours of the tax system and in eliminating aberrations in it have been an ongoing process.

#### Growth Necessary

"We must tighten our money policy and reduce domestic demand simultaneously with adapting conditions in order to allow for greater growth in our industries which are confronting competition," said Skauge, who put the government's tax policy along side the need for strengthening businesses. The same applied to policies regarding the stock market, which in recent years has developed into being a valuable source of capital for Norwegian industry. Skauge asserted that capital expansion in firms on the exchange had increased more than ten-fold since 1980, while capital expansion had less than doubled in companies not on the exchange. For this reason, he stated that the government was not willing to go any farther in the direction of implementing the Labor Party's demand for taxing the stock market.

#### Gloomy

The finance minister portrayed particularly gloomy outlooks for the Norwegian economy. The deficit in mainland Norway's operational balance respecting foreign countries is far greater than previously predicted. This is due both to stronger growth in domestic demand and worsened competitiveness due to greater growth in costs than expected.

On top of this comes the dramatic fall in the price of oil. Even with optimistic calculations for future oil prices, the loss of government income will amount to approximately 100 billion kroner in the next four-year period. "We cannot deceive ourselves under these circumstances that we can continue as if nothing had happened," said Skauge.

He also warned against the consequences of new wage increases which he fears will weaken our competitiveness by 3-4 percent. "With such an increase in costs, many firms will price themselves out of the market. At a time when we are confronting an entirely new international economic situation with large deficits in foreign trade for many years, /no/ government can guarantee full employment if the increasing costs become too great," said Skauge. He thinks that it is a fact that wage earners' purchasing power must be reduced by between 10 and 15 percent even if we stabilize our expanded debt at a level which is four times as high as today.

12578

CSO: 3639/105

ECONOMIC

TURKEY

DELEGATION SPOKESMAN ON TEXTILE NEGOTIATIONS WITH EEC

Istanbul DUNYA in Turkish 24 Apr 86 pp 1,11

[Text] Halit Narin, President of the Turkish Confederation of Employer Unions [TISK], Executive Council President of the Turkish Textile Industry Employers' Union and spokesman for the Turkish delegation at the recent negotiations where the Autolimitation Agreement was signed with the EEC textile delegation, said that in the distribution of [textile export] quotas in Turkey "the government's primary duty must be to prevent the abuse of the quotas."

Stating that he wants the quotas to help the producers, Narin said that the sale or any other abuse of the quotas must not be allowed under any circumstances. Speaking about the Turkey-EEC negotiations that ended with the signing of the Autolimitation Agreement in Brussels and the distribution of quotas in Turkey, Halit Narin replied to our questions as follows:

DUNYA: According to the Autolimitation Agreement on which an accord has been reached, the quotas will be distributed in Turkey. What do you think the criteria should be in the distribution of quotas?

Narin: The quotas must be evaluated after joint work is conducted by various groups. The government's primary duty must be to prevent the abuse of the quotas. No services must be considered in a way that may upset the balance or which may lead to abuse. The quotas must be able to provide broad benefit to the pertinent community.

If the quotas are allowed to be grabbed by whoever can or if those who get them are allowed to sell them to others, it will be a disaster. The quotas must not be allowed to be sold or abused. If buyers and sellers of quotas begin to emerge it will result in a fiasco for Turkey. If that happens, Turkey will neither be able to export nor do anything else as a result of the scandal that will emerge. If an assigned quota is not used it must be returned; it should not be possible to turn it over to someone else.

DUNYA: What organizations must distribute the quotas and to whom must it distribute them?

Narin: The government has become the primary authority responsible for the quotas. It is responsible for its abuse and control. The quotas must benefit those who use them and not those who distribute them. There should be no room

for tolerance on this issue. The quotas must be distributed among the manufacturers. Imagine that you give the quotas to the exporters rather than the manufacturers. The exporting firm will hold the manufacturer by the neck and tell him: 'If you do not give me this I will not let you manufacture.' This will result in the closure of the workplace. The quotas concern the manufacturer. The manufacturer who is under pressure cannot be expected to produce.

DUNYA: What is your evaluation of the Autolimitation Agreement on which you have reached an accord with the EEC?

Narin: We as well as everyone else are pleased with this agreement. Because we have accomplished something that cannot be minimized. Everyone knows the dollar value of this business; it is not that significant. This is an agreement which goes beyond the dollar value and which guarantees for hundreds of thousands of Turkish citizens continual employment and sales. What pleases us all is that we have made an agreement which constitutes the source of earnings for hundreds of thousands of people. We could not have done it if the EEC countries did not want it. We found a common point of reason with the EEC countries and Mr Leng.

DUNYA: I believe that the figures you agreed on were not the figures Turkey proposed. To which side are the compromise figures closer to?

Narin: The success of the agreement is possible with the gratification of both sides. They did not give us the maximum they could give. But we got more than the minimum we could get. This is a political answer, but that is the result.

DUNYA: What were the issues that caused the most difficulty during the negotiations?

Narin: There were no issues on which we did not have any difficulty. The progress of the negotiations from the beginning to the end was difficult. I heard that Eyup Ilyasoglu and Ertekin Ashaboglu slept for two days out of exhaustion. I myself thought that I was poisoned from the food I ate in Zurich. At the end of the negotiations we remained unconscious in various parts of the world for 48 hours to regain our exhausted strength. The agreement was the result of a great amount of mental energy expenditure. Had we not worked as a team we could not have accomplished this result.

DUNYA: What was the effect of the change you made in the negotiating strategy?

Narin: Our success may be linked to that. The authority as spokesman vested in me by the Undersecretariat of the Treasury and Foreign Trade stipulated that I sign an agreement at the point when an agreement could be signed or that I return to Turkey. I told Mr Leng repeatedly that I was not there to negotiate. I did not go to Brussels to go over issues that had been explained several times. We sought ways to reach an agreement, and my job, in any case, was to make an agreement. We accomplished this task thanks to the assistance given to me by the delegation, and we came home with good news.



DUNYA: What was the factor that brought about an agreement during this round of negotiations while an agreement could not be reached in previous talks?

Narin: The fact that an accord was reached this time indicates that the negotiating tactics used so far were changed. In other words, in this round of negotiations we had the premise that it is in Turkey's interest to sign an Autolimitation Agreement which contains the figures Turkey needs. The delegation's success was partly due to the weight of my presence as the representative of the exporter associations, the Union of Chambers of Commerce and Industry, the Turkish Apparel Manufacturers Association and TISK. In Brussels we explained to them with our weight the methodology of the bargaining and told them that we can make an agreement.

9588

CSO: 3554/45

ECONOMIC

TURKEY

# GOVERNMENT'S CREDIBILITY ON INFLATION QUESTIONED

Istanbul DUNYA in Turkish 24 Apr 86 p 1

[Editorial: "Some Seriousness"]

[Text] Is it healthy to claim that every action and decision of a government is "indisputable" and "unquestionably correct"? It should not be. But it is observed that those who are in positions of charting the course of the economy are increasingly deluded with such dogmatism. Most recently, speaking about inflation, the problems of the banking system and foreign exchange operations, Treasury and Foreign Trade Undersecretary Ekrem Pakdemirli insisted that no one should doubt the correctness of their policies while distorting the facts.

The message Pakdemirli was trying to deliver to the public with appeals for the people's trust in the government is based on certain significant distortions which must be considered unfortunate. Speaking at a symposium in Istanbul entitled "The Past, Present and Future of Turkish Banking," the undersecretary stated that the battle against inflation is "above all a matter of faith," ignoring the fact that one of the most important elements of the continuation of inflationary pressure is the borrowing policy of the organization he is heading. Contrary to Pakdemirli's claim, for the last year the Treasury has been borrowing at 50 percent interest during its weekly biddings. This practice has deepened the widespread disbelief in the government's announced target of a 25-percent increase in the general price level; more importantly, it has prepared the ground for setting the economy on an "hyperinflationary" trend.

Also untrue is the claim that the Treasury is trying to control, "as much as it can," the growth of the money supply, which is another element fanning the flames of inflation. Because this institution has been pumping the funds it withdraws from savings accounts through the banking system back into the economy to finance its current account spending. This way, more money cannot be withdrawn from the market. As a result the growth in the money supply is set such that the inflation rate remains around 40 percent. This is because the administration knows that a real decline in inflation through radical measures may upset the balances of the economy. But it does not have the courage to say that.

The distortion of facts is not limited to this aspect of the problem. The Treasury, which has been borrowing at high interest rates, is forcing the

banks to link their assets to government securities. As a result, the banking system has found a low-risk, high-profit lending resource and feels no incentive to reduce interest rates on credit. The addiction of the financial institutions to comfortable earnings in a high-inflation environment has increased the attractiveness of speculation in foreign currency as well as Turkish currency and has kept alive the inflationary mentality through high-cost credit. When the government's claims do not match the facts, it gets harder to believe any of the official statements that are made.

9588

CSO: 3554/45

ECONOMIC

TURKEY

## BILL CALLS FOR TIGHTER CONTROLS OVER PRIVATE INVESTMENT

### Two-Tier Elections for Union of Chambers

Istanbul DUNYA in Turkish 3 Apr 86 pp 1, 11

[Excerpt] Ankara (DUNYA) - The "Draft Law Pertaining to the Amendment of Certain Articles of Chambers and Exchanges Union Law No 5590 and Annexes to and Provisional Articles of this Law" approved by the Council of Ministers and sent to the speaker of the TGNA [Turkish Grand National Assembly] would change the electoral system and administrative structure of the Turkish Union of Chambers and Exchanges [TUCE] and imposes heavy fines on chambers that "engage in politics."

According to the bill expected to be taken up Thursday in the TGNA Industry, Trade and Technology Committee, the number of TUCE organs will be raised to three: the General Assembly, the Chamber and Exchanges Councils and the Board of Directors. The union's general assembly will be comprised of delegates elected by the Chamber and Exchange Assemblies from among their own members for 4-year terms, and the number of delegates sent to the general assembly by each chamber or exchange will not exceed 20. The union's board of directors, meanwhile, will be composed of 15 members which the councils will elect for 2-year terms from among their own members. The members of the board of directors may serve a maximum of 10 consecutive years.

The provisions "of a reform nature" called for in the bill's rationale add "Chamber and Exchange Councils" to the TUCE organs. The rationale reads: "A new identity is thus conferred upon the union. The councils, functioning as select bodies, will ensure that the union, which occupies an important position in our economic life, operates more productively." The rationale also states that, by giving the councils the authority to elect members of the board of directors, "balanced representation of all sectors is ensured in administration."

### Bill Innovations

According to the bill amending Law No 5590, the term in office of delegates elected to the union's general assembly by the chamber and exchange assemblies from among their own members is extended from 3 years to 4 years. Each chamber and exchange will be represented in the general assembly by one delegate

each, and the total number of delegates will not exceed 1,000 persons at most. Also, the unions and chambers will elect additional delegates according to income criteria to be determined and announced prior to the elections by the Ministry of Industry and Trade on the basis of income 1 year previous. According to the proposed provisions, alternate delegates may be designated equal to the number elected, and the number of delegates which one chamber or exchange may send to the general assembly may not exceed 20.

Expenses for delegates attending the general assembly, scheduled to convene each year in May, will be met by their organizations. If chamber and exchange assemblies are dissolved and reelected for any reason, delegates to the union general assembly will be reelected also.

Under the provisions of the bill, five different councils, each comprising 30 members, will be formed from among the delegates attending the union general assembly; the five consisting of the Chamber of Commerce Council, the Chamber of Industry Council, the Chamber of Commerce and Industry Council, the Chamber of Maritime Trade Council and the Commercial Exchange Council. However, the total number of members of the councils may not exceed half the number of delegates represented at the general assembly. The councils, meanwhile, will elect from among their own members one president and one vice president to a 4-year term. The council presidents will select from among themselves the first union general assembly chairman for 1 year. The council presidents will serve in rotation as general assembly chairmen in subsequent years. The other council presidents will form the general assembly Steering Committee in the capacity of general assembly vice chairmen. The councils will meet at least 4 times annually and, as needed, upon the invitation of the president or, in his absence, the vice president.

#### Union Board of Directors

The bill raises the number of Union Board of Directors members from 9 to 15. Up to 15 members or alternates will be elected by the councils from among their own members for 2-year terms. Distribution of board of directors members by sector will be set in proportion to the number of delegates at the general assembly. Each council will have at least one delegate on the board of directors. The union's board of directors will elect from among its own members one chairman, four vice chairmen and a treasurer to serve 2-year terms. The vice chairmen will be chosen from among the representatives of councils other than the one on which the chairman sits. The general secretary will not vote in this election. The person elected chairman of the Union Board of Directors cannot serve concurrently as chairman of the assembly or board of directors of the chamber or exchange of which he is a member. These members may serve a maximum of 10 consecutive years.

#### Occupational Committees

The bill also revises the numerical status of Chamber Occupation Committees. Occupation committees will consist of 5 and 7 persons to be elected by the occupational groups or 5, 7 and 11 persons for chambers with more than 10,000 members. Occupation Committees, which will sit for 4 years, will select from among their own members one chairman and one vice chairman to serve for 2 years. The chairman may be reelected at the expiration of his term. The principles to apply in the categorization of occupations and the designation of the number of members in occupational groups will be set by directives.

### Chamber Assemblies

Under the bill, Chamber and Exchange Assemblies will be composed of two members each elected by each of the Occupation Committees. However, assemblies of chambers with more than 10,000 members will have one representative each from 5-person occupation committees, two each from 7-person occupation committees and three each from 11-person occupation committees. Those elected assembly members may serve in only one of the assemblies of the chambers and exchanges which have the same activity restrictions.

### Personnel Situation

According to the bill, the hiring, appointment, promotion, transfer, dismissal from work and dismissal as punishment of staff and service personnel employed by the chambers, exchanges and unions, plus the matter of severance pay which must be given in these cases, and the amounts and forms of heating, family and birth, death and social assistance under the State Civil Service Law will be specified in a directive to be drawn up by the Union and approved by the Council of Ministers. Personnel wages will be set by the Union, taking into account education, seniority, duties and the characteristics of the chambers and exchanges. Billets specified in this way will become valid upon approval by the Council of Ministers.

### Politics Ban

The bill prohibits any activity by the chambers and exchanges and the union outside the purpose for which they were established. Thus, the chambers, exchanges and union may not hold meeting not in line with the performance of their duties as stated by law, may not organize demonstrations, may not engage in politics, and may not act in partnership with political parties, trade unions, foundations and associations. They may not give material aid to political parties. They may not support specific candidates in local and national deputy elections. Failure by the chambers and exchanges and the union to comply with these bans may result in prosecution, dissolution of the organs responsible and the election of replacements. Replacements are to be elected within 1 month at the latest.

### Izmir Chamber of Commerce Head Comments

Istanbul DUNYA in Turkish 3 Apr 86 pp 1, 11

[Text] Izmir (DUNYA) - Dundar Soyer, president of the Izmir Chamber of Commerce, said that the bill involving the changes desired in Law No 5590 contains provisions that narrow and restrict the functions of the Union of Chambers and of the chambers themselves. He said he would express his views on the bill during the committee hearings.

Noting that, from the bill's narrowing the General Assembly's size and calling for two-tier elections, they inferred a desire to gain easy oversight and domination of the union, Dundar Soyer asserted that there was also a desire to make the organization a ward [of the state].

Soyer said that the chambers' basic duties included generating ideas on the country's economic matters and problems and coming up with constructive proposals. He expressed these views:

"Democracy gains strength and meaning in a country through the existence of strong institutions and organizations, as well as parliaments. Our chambers have become essential institutions of democracy with their centuries of tradition, custom and practice. There is a desire to make the chambers into some sort of a confederation, hence the presentation of a method different from the system used to date. The result hoped for, by limiting the number of delegates, is to gain easy control over the delegates or point them in the direction desired. The Union of Chambers is a strong organization in Turkey. It is the private sector's most widespread and effective organization. It is respected and influential in Turkey's economic and political life. Any administration ought to see that it would be sensitive about this influence."

Noting, meanwhile, that they had not been kept informed in any way during preparation of the bill, Soyer said that they would be conveying their thoughts on the bill to the committee members during the assembly debates. He indicated that the Union of Chambers would be working to preserve their influence and drew attention to the government's failure to keep its promises. Stating that they would be the watchdogs over whether promises given are kept, Soyer gave the following information:

"The law was hastily forwarded to the TGNA in a manner not consistent with the dialogue that would be expected with the government. Actually, there ought to have been a dialogue in the preparatory stages in which views could have been reconciled. We were promised during the prime minister's and deputy prime minister's visits to Izmir that talks would be held on matters directly or indirectly affecting the private sector. However, the promises given are not being kept by the government. We will be the watchdog on this."

Soyer announced that a meeting of chamber presidents would be held at the Union of Chambers to discuss the Union of Chambers bill and that this bill would affect the dialogue between them and the government. He added that the Izmir Chamber of Commerce had asked to participate in the committee discussion of the bill and that they would express their views in committee.

8349

CSO: 3554/43

17 June 1986

ENERGY

FINLAND

## PLANS FOR NEW NUCLEAR PLANT ON HOLD FOLLOWING CHERNOBYL

## Energy Minister Explains Stand

Helsinki UUSI SUOMI in Finnish 30 Apr 86 p 1

[Article: "Ministers Deliberate Responsibility for Informing Public: Finland's Nuclear Power Program Now Suspended"]

[Text] The USSR's nuclear catastrophe is also upsetting Finland's nuclear power program, even though the Loviisa power plants, for example, are of quite different types from that of the plant involved in the accident.

On Tuesday Trade and Industry Minister Seppo Lindblom (Social Democrat) let it be understood that we might even abandon construction of additional nuclear power facilities entirely in this country.

According to him, the Chernobyl accident "may have far-reaching effects on our future energy decisions."

We had to wait for more than 24 hours for the government's stand on and report of the Chernobyl accident before the radiation levels, which had risen here, were made public. Some ministers said that they did not hear about the event until Tuesday morning.

In the government they admitted that the uncertainty was due to the distribution of ministry functions in such cases in addition to a lag in the flow of information. The ministers wondered who is responsible for informing citizens.

The ministers assured us that no serious situation exists or has existed in Finland. Responsible for fire and rescue actions, Interior Minister Kaisa Raatikainen (Social Democrat) reassured us that the ministry and the government are fully prepared to act if need be.

On Tuesday the government appointed a committee of officials to maintain communications between the different officials in connection with this matter.



Country's Emergency Preparedness Described

Helsinki UUSI SUOMI in Finnish 30 Apr 86 p 1

[Article: "Finland's Safety System Is Limping"]

[Text] So far, they do not intend to evacuate Finnish workers from construction sites in Kiev. Risto Huovila, the chief of Lemminkainen Oy's Kiev construction site, told UUSI SUOMI on Tuesday that the situation is quite normal.

"The fact that we have not received any information as to how the radioactive pollutants have moved in this area makes the situation frightening," Huovila said.

The drifting of the cloud of pollutants over Finland has revealed serious shortcomings in our country's radiation safety system. Some of the ministry's metering equipment has proven to be museum articles and obvious defects have appeared in the new equipment.

In Sweden they are amazed at Finnish officials' low-keyed information policy. Especially since an increase in radiation was noted in Finland as early as Sunday afternoon.

Nuclear power expert Prof Jorma K. Miettinen feels that the Chernobyl power plant accident is an especially serious blow to the debate on nuclear power plants and to Soviet nuclear power technology.

Paper on Accident's 'Lessons'

Helsinki UUSI SUOMI in Finnish 30 Apr 86 p 2

[Editorial: "Kiev's Lessons"]

[Text] Concrete experiences always exceed theoretical estimates. This is why the issue of nuclear energy has entered a new phase since the Kiev reactor accident.

Unfounded hysteria must, of course, be dispelled. Dangerous radiation levels have not been observed in Finland, nor apparently elsewhere outside the immediate vicinity of the reactor. The reactor was of a different type from the one used in Finland; it lacked a protective vault and safety arrangements probably otherwise differed from what we require here. The losses of human lives are regrettable, but they have not been able to avoid them in other big industries either.

It was, on the other hand, a good thing to be reminded of the risks of nuclear energy. In the heated debate on energy people have sometimes attempted to underestimate them in an unfounded way. After news of this sort, gilding the lily may produce an uncomfortable reaction.

They experienced somewhat the same sort of situation after the nuclear power plant accident in Harrisburg. On the basis of theoretical calculations, the likelihood of a so-called worst possible accident, that is, if the reaction "should get out of hand," is considered to be very small. It has, of course, been added that, while the likelihood of its happening may be once in a million years, that year could be right now.

As of now, we have already experienced perhaps two reactions that have gotten out of hand. In Harrisburg, however, there were no human victims at all and they succeeded in controlling the problem. The dimensions of the Kiev accident should not be exaggerated before we have more accurate information.

After what has happened, our energy policy will undoubtedly be deliberated more seriously than before. At that time there will be good reason to recognize the risks of nuclear energy, but we must at the same time weigh the dangers, also to health, inherent in the other alternatives. The advantages of nuclear energy are still -- despite the risks -- undeniable.

At any rate, we should very critically go over the steps [we may take] and our preparedness in the event of such a crisis. This time we have seen amazing clumsiness and fumbling. We ought to consider ourselves downright lucky that we were taught a lesson under such [relatively] safe circumstances. A strike, for example, is not enough to explain it; we may experience a much worse situation under more difficult circumstances.

The problems begin with our country's top leaders and extend to countless details in, for example, the flow of information. A sort of inherently Finnish phlegmatism is the common denominator for all of them. Matters were left unattended to, the further reporting on problems was at least neglected and those who bear the responsibility, not to mention our leaders, did not wish to be found.

So the government deliberated for a long time to whom the responsibility in this matter really belongs. And what if only very little time were available?

The flow of information is always a basic problem in crisis situations. We received reports from the Soviet Union slowly and at first even in a misleading way. Apparently, the reform of news reporting there has not yet been brought to completion. They would not, of course, have been able to keep such a big accident, which occurred in a central part of the country, secret.

We, however, have no reason to be proud with respect to our reporting either. Tass reported the news spontaneously, although very late. Asking the Soviet Union about the matter would not, however, have been a breach of foreign policy etiquette. And above all: We had our own worrisome measurement data, but for one reason or another they were not passed on to Sweden, for example.

What happened in Kiev also tells us that we need civil defense at other times than during military crises as well. Might this give those reason to think who have opposed giving civil servants civil defense training on the grounds of rejecting "militarization"?

Power Industry Leaders Comment

Helsinki UUSI SUOMI in Finnish 1 May 86 p 12

[Article: "Industry Unanimous: Don't Rush into Decisions"]

[Text] Representatives of the industry with one voice warn against overly hasty decisions made in an effort to solve Finland's energy problems, although they do feel that the Chernobyl accident is a matter that requires "cool-headed consideration."

According to the industry, by the first half of the 1990's Finland will need its next nuclear power plant to ensure its electric power production. In the industry's opinion, the nuclear power plant project has so far been progressing too slowly and this is threatening us with a rise in the price of electricity.

The chairman of the industry's association, Nokia general manager Kari Kairamo, pointed out that the reactors now in operation in Finland and those designed for use here are of a quite different type from the reactor involved in the accident and that the safety arrangements at the plant involved in the accident did not correspond to Finnish standards.

"We must also remember that there are already over a hundred nuclear power plants in Europe in the vicinity of Finland and their number is rapidly growing, in the Soviet Union among other places. In Sweden too, there are 12 of them near us. So the situation will just not be changed by the decisions we make in Finland," industrialist Kairamo remarked.

The industry in general hopes that we would expect explanations of the Chernobyl accident before adopting definitive positions on the course of Finland's energy policy.

"At the present time there is too little information to make far-reaching decisions and we must avoid overly hasty conclusions," TKL [Industrial Confederation] chairman Timo Relander and the chairman of the TKL energy committee, general manager Krister Ahlstrom, said.

Perusvoima Oy has already submitted its application in principle for a license for Finland's fifth nuclear power plant which, according to the company's plans, would have a capacity of either 500 or 1,000 MW.

Parliament Members Express Views

Helsinki UUSI SUOMI in Finnish 1 May 86 p 12

[Text] The nuclear energy bill will probably advance to debate in the big chamber of Parliament as soon as next week. The bill does not deal with the procurement of a fifth nuclear power plant, but in connection with the debate on it members of Parliament will have an opportunity to engage in discussion of a decision on the power plant as well. The energy policy will also be raised in the waterfall protection bill to be debated in the spring. If the

nuclear power project is suspended, pressures to develop waterfalls may grow. UUSI SUOMI asked members of Parliament for their opinions on nuclear power and the effect of the Kiev accident on their views. Meeting with over 50 members of Parliament told us that what happened in Kiev has not so far changed their views on the matter.

UUSI SUOMI met with a total of 56 members of Parliament who had already left to celebrate May Day. We asked them for their views on the construction of a fifth nuclear power plant and whether the Kiev accident had affected their opinions.

The general tenor of their replies was that the accident has not changed their earlier positions. However, nearly without exception the members of Parliament believed that public opinion will change to a more negative attitude than now. They also believed that decisions would shift.

The Center Party's Jukka Vihriala hoped the people would not use the accident to try to chalk up single points. He has always been a "silent opponent" of nuclear power, as he himself said.

#### "I Will Not Respond to the Gallup Polls"

Members of Parliament have been particularly annoyed with "instant Gallup polls" these past few days. Several newspapers and research institutes have them in progress.

Some members of Parliament said that they were downright fed up with the polls. Arvo Kempainen (Communist), among others, expressed this view in particularly strong terms.

Several People's Democrats said that in their group they have unofficially decided that they will not respond to opinion polls on this matter. They will assume a position when the proper time comes in Parliament.

Of the same opinion were also the Center Party's Paavo Vesterinen, the Conservative Party's Ritva Laurila and the SDP's [Social Democratic Party] Pirjo Alakapee, who indeed announced that he was very critical of nuclear power.

Just appointed to head the Interior Ministry's Rescue Department, the SDP's Pekka Myllyniemi felt that the question was irrelevant. "I won't answer it, I won't answer it," Myllyniemi repeated.

#### Negative View Has Gained Strength

Opponents of nuclear power are understandably gaining more arguments from the Kiev accident to support their position.

"Up to now I have not been convinced of their safety and it will be even harder to convince me of it after this," Taisto Tahkamaa (Center Party) said.

The Center Party's Aapo Saari is one of those rare people whose opinion of the accident has changed.

"Before it I felt that nuclear energy is better than coal energy. Now I have more reservations about it than before."

The RKP's [Swedish People's Party] Hakan Malm said that he has no firm opinion, but that his earlier doubting attitude has been strengthened.

Kaisa Raatikainen's (Social Democrat) husband, Erkki Raatikainen, who answered the phone, believed that the minister would not answer such a question because she is a member of the government.

The Center Party's Pentti Poutanen said that he would wait with the government. The SMP's [Finnish Rural Party] Martti Ratu stated "that you ought to be secretive when you belong to a certain bunch."

#### Supporters Reassured Us

Those members of Parliament who support the development of nuclear power want more information and comparisons between the power plant involved in the accident and the Finnish power plants. "We have not been so naive as not to have admitted the risks the whole time. It is a question of minimizing them."

The Communists' Seppo Toiviainen said that he is still "critically in favor" of a fifth power plant. Toiviainen is one of those who emphasize that the power plant must be bought from the Soviet Union for trade policy reasons among others.

Of the members of Parliament UUSI SUOMI met with, Esko Helle (People's Democrat) followed his own course. He opposes the new power plant, but has no doubts about its safety. Helle's argument for opposing it is the problem of storing nuclear waste.

#### Perusvoima Chief: Plan Remains

Helsinki UUSI SUOMI in Finnish 1 May 86 p 12

[Article by Pertti Nurvala: "Government's Hesitant Attitude Influenced Them: Perusvoima Applies the Brakes"]

[Text] At a press conference yesterday Perusvoima Oy (PEVO) general manager Anders Palmgren announced that PEVO is slowing down with its preliminary operations for a fifth nuclear power plant and is waiting for more accurate information on the causes of the Chernobyl accident.

PEVO and its associate companies, however, do not believe that what happened at Chernobyl will provide a reason for doubting the VVER [expansion unknown] or the safety properties of light-water type reactors in general.

"To be sure of ourselves, the technical bases for the safety of the next nuclear power plant will be taken up for further new discussion in which the active, decisive contribution of the Radiation Safety Center will be most conspicuous," Palmgren said.

Palmgren was of the opinion that the latest VVER plants built in the Soviet Union meet Western safety requirements. His tone was, however, different when we spoke of graphite-controlled power plants like Chernobyl. There are some of them in the vicinity of Leningrad, among other places.

According to Palmgren, the giant power plants (2 x 1,500 MW) at Ignalino hardly have the kind of protective vaults that "we call fully capable of withstanding pressure." Ignalino is located a little farther south of Helsinki than Jyvaskyla is north of Helsinki.

The Soviet Union will probably have to close down its graphite-controlled plants, at least during the investigations. Thus Finland may in future have difficulties in importing electric power from the Soviet Union. About 7 or 8 percent of Finland's total electric power consumption comes from there.

#### Basic Approach Unchanged

"The basic approach of the industry's energy policy will remain unchanged despite the serious accident in the Soviet Union," said Pentti Sierila, the director of the Forest Industry Association, about the industry that consumes the most energy.

Sierila told us that the fifth nuclear power plant is only one part of the industry's energy program. It includes energy conservation measures, an intensification of research, increasing sources of domestic energy and ensuring basic energy with counterpressure energy, coal energy and nuclear energy.

"Now we need a moment's pause to think things over," Sierila said.

According to him, at about the end of the year facilities for 150,000 MW of nuclear energy were being built or planned, that is, 150 1,000-MW plants.

"Will My Liver Hold Out...?"

They were confused-looking. There was no information, but the public was asking for it. They approached that mighty force with a press conference.

Company men of PEVO, founded for the fifth nuclear power plant, and IVO [Imatra Power Company], Anders Palmgren, Krister Ahlstrom and Kalevi Numminen know how serious the situation is.

Electricity will soon be rationed in Finland unless something is done about it. On the other hand, it is now pointless to even try to quickly push through a decision to build the nuclear power plant. Public opinion hears only the ticking of the Geiger counter.

The energy people may again resort to making use of their special familiarity with the news media. Yesterday a desperate lobbyist on the back bench grunted: "Will my liver continue to hold out through the next election period?"

At the press conference they spoke warmly of pressurized water reactor type plants and were mainly silent about the type in use at Chernobyl.

The message between the lines was, however, that a fifth (pressurized water type) nuclear power plant will not affect Finns' safety at all. On the southern side of the Gulf of Finland rumble six mighty graphite-controlled plants whose profitability was not jeopardized by building useless protective vaults.

Besides, there are risks with conventional forms of energy too. "A coal power plant is costly for industry and the strain on the environment is greater, which today may sound grotesque," Krister Ahlstrom added, bearing public opinion in mind.

11,466

CSO: 3617/108

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## ENERGY

## FINLAND

## POLL SHOWS TWO OF THREE OPPOSE ANY ADDITIONAL NUCLEAR PLANTS

## Poll Taken After Chernobyl

Helsinki SUOMEN KUVALEHTI in Finnish 9 May 86 pp 12-13

[Article by Pekka Hyvarinen: "Majority of Finns Now Opposed to Nuclear Power"]

[Text] The accident that occurred at the Chernobyl Nuclear Power Plant in the Ukraine has radically changed opinions of Finns against nuclear power. According to a spot poll commissioned by SUOMEN KUVALEHTI, a full two-thirds of the people is opposed to the large power plant now being planned. Thus the number of opponents has doubled.

By order of our paper Finnish Gallup polled the opinions of citizens on nuclear power in a 1-day poll on Sunday, 4 May 1986. The day the interviews were conducted was exactly 1 week since the catastrophe in Chernobyl, and the radiation effects following the accident were, for the most part, known. A full 300 interviews were conducted by telephone.

The spot interview demonstrates the kind of shock the accident caused in Finland. Even experienced poll takers do not recall a more significant social question in which opinions have changed as quickly and radically as this time. The change is so great that there is no reason to speculate on even the polling procedure and its reliability.

## Two in Three Opposed to Large Power Plant

According to the report, approximately two-thirds (64 percent) of the Finns would oppose a new nuclear power plant in this situation. Only 17 percent, many of them in positions of authority, would support a large new nuclear power plant. A relatively larger proportion of women than men opposes a large power plant.

From the poll's background information it becomes apparent that approximately half of the opponents wants to postpone the construction of a large power plant to sometime in the future, and half is ready to abandon the whole project. The supporters of a large power plant, naturally, consider that decisions can be made immediately.



It is, indeed, interesting, the nuclear power plants already in operation in Finland are considered to be quite safe even after the Chernobyl accident. Confidence has remained, and the arguments of the nuclear power industry seem to be effective in this matter. The people believe that the nuclear power plants in use in Finland are in their construction of a different type than the plant which was now destroyed in the Soviet Union. This view was also repeated in the question concerning the issue in the spot poll.

The answers indicate that two-thirds of the Finns (66 percent) considers our own power plants to be either quite safe or very safe. One-fifth of the respondents expressed doubts about the power plants. Women are again more cautious than the men.

In the attitudes toward nuclear power, in general, and toward our own power plants, in particular, there is a certain conflict, which, however, comes out quite frequently in these types of polls according to the researchers. Something foreign and unknown is considered threatening while, on the other hand, there is a desire to see one's own country as a "safe haven".

A comparison of this spot poll with previous studies is not possible because of the way the question was posed, but it is clear that the number of those opposed to a new large power plant has doubled since the Ukrainian accident.

#### This Is How Opinions Changed

One-third of the respondents stated that they changed their opinion about the feasibility of nuclear power after the accident. Adults, in particular, revised their stand. The change among youth was smaller, but according to the poll their trust in technology otherwise is greater than their elders.

According to the poll, the majority of Finns now adopts a negative attitude toward nuclear power. After the accident opponents of nuclear energy comprise 54 percent of the people while previously they made up approximately one-third of the people. Nuclear power is now supported by only every sixth Finn, the rest is uncertain or is opposed to nuclear energy.

Among the supporters of nuclear power nearly half have changed their tune or at least have become suspicious. Likewise, almost half of those who were previously uncertain now say that they have a negative attitude toward nuclear power. Opponents, for their part, are now more decisive than before.

#### Initial Shock or Lasting Change?

The SUOMEN KUVALEHTI spot poll was thus conducted exactly a week after the Chernobyl accident. Experts consider it possible that differences in opinion will again begin to even out as time goes by. It is, however, apparent that it will be a long time before the opponents of nuclear power can again be called a clear minority.

The change is, indeed, perceptible since in a certain study conducted in November only a full one-third of Finns opposed the construction of a new large

power plant. Thus the number of people opposed to nuclear power and a large power plant has increased 1.5--2-fold because of one accident.

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#### Attitude Toward Nuclear Power Plant

"There are now four nuclear power plants in operation in our country. What would be your attitude toward the fact that a new large power plant in our country would a nuclear power plant -- would you support or oppose the construction of a nuclear power plant or would your attitude toward the issue be one of indifference?"

	All	Women	Men
	%	%	%
Support	17	9	26
Oppose	64	74	53
Indifferent	10	9	11
Do not know	9	8	10
	100	100	100

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#### Safety of Finnish Nuclear Power Plants

"The nuclear power plants in operation in Finland are by their construction of a different type than the plant which has now been destroyed in the Soviet Union. What is your understanding of the safety of the nuclear power plants in operation in Finland; are they very safe, rather safe, not very safe or not safe at all?"

	All	Women	Men
	%	%	%
Very safe	12	7	17
Rather safe	54	52	57
Not very safe	16	16	15
Not safe at all	8	11	3
Do not know	10	14	8
	100	100	100

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### Opinions Concerning Nuclear Power

"If you think about the malfunctions that occurred at the nuclear power plant in the Soviet Union, has it changed your opinion about the feasibility of nuclear power under our conditions or has your opinion remained the same?"

OPINION	Age Groups				
	All %	18-24 %	25-34 %	35-49 %	over 50 %
Not changed	63	68	64	69	55
Changed	34	30	34	30	37
Do not know	3	2	2	1	8
	100	100	100	100	100

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### Attitude Toward Nuclear Power

Opinions before accident and after.

	attitude before accident %	and after accident %
Positive	27	16
Uncertain	32	28
Negative	36	54
Do not know	5	2
	100	100

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### How Have Opinions Changed

Attitude after accident	Attitude before accident		
	Positive %	Uncertain %	Negative %
Positive	57	-	1
Uncertain	28	55	1
Negative	12	45	98
Do not know	3	-	-
	100	100	100

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The data is based on Finnish Gallup's telephone interviews, which were conducted on 4 May 1986. The number of people interviewed was 331.

Sorsa Still Supports Program

Helsinki UUSI SUOMI in Finnish 7 May 86 p 11

[Article: "Sorsa Still For Nuclear Power"<sup>3</sup>

[Text] Prime Minister Kalevi Sorsa took a stand on nuclear energy questions for the first time since the Chernobyl accident. Sorsa, who spoke at the Peace and Journalism Seminar in Helsinki, continued to support with certain reservations nuclear power plant cooperation with the Soviet Union and other countries.

"The other side of preventing the proliferation of nuclear weapons is international cooperation in the peaceful use of nuclear energy and in ensuring and improving its safety," said Sorsa.

"The events of recent days demonstrate that there is still a long ways to go in this area."

According to Sorsa, Finland must attempt to increase confidence in international cooperation in nuclear energy bilaterally with the Soviet Union as well as with other neighboring countries, and particularly in the International Atomic Energy Agency.

"The open exchange of information and practical cooperation are the best remedy for this."

According to Prime Minister Kalevi Sorsa's assessment, at this time there does not seem to be a return to the active superpower relationship that prevailed during the time of detente in international politics. He emphasizes that this should also be taken into consideration in Finland's foreign policy.

"It must be recognized that in Finland's foreign policy there has been no permanent solution to the question of what is our role when international relations are bad, tensions are high, and cooperation does not work," said Sorsa on Tuesday at the Peace and Journalism Seminar in Helsinki.

As an indication of this he pointed out the internal debate on the activism or passivism of our foreign policy as well as on taking a stand or remaining neutral.

Prime Minister Sorsa expressed concern that recent development is leading in the direction of unilateral national decisions and the neglect of international cooperation. He emphasized that the right of the more powerful is replacing decisions based on peace and justice.

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17 June 1986

ENERGY

GREECE

## CONSORTIUM DENIES PRINOS PRODUCTION CLOSING

Athens I VRADYNI in Greek 23 Apr 86 p 17

/Text/ There is no thought being given to cutting production at Prinos because of the drop in the price of petroleum. This is mentioned in a communique issued by the firms belonging to the consortium exploiting the deposit. The communique stresses that production costs are still at a lower level than current prices.

Specifically, it is said that production is continuing normally and there is no thought being given to cut production of petroleum and natural gas in the Prinos and South Kavala deposits. The following is mentioned in the consortium communique:

"All products (crude petroleum, natural gas and sulfur) are being sold on the basis of long-term contracts and no difficulty has been encountered for disposing of the entire daily production.

"The consortium recently confirmed to the Greek state its decision to continue further exploitation despite prevailing critical conditions in the petroleum industry. The personnel of the NAPC /as published/ is intensively continuing its studies for the elaboration of a long-term exploitation program that will permit determining the exact locations where new drillings will be carried out shortly. The Pentod-58 rig, that completed the "Western Prinos 1" drilling in December 1985, continues to be moored in the gulf of Kavala waiting for the discovery of further drillings projects in the Mediterranean.

"Through the signing last October and November with Minister of Industry, Energy and Technology E. Veryvakis of contracts according to which the DEP /Public Petroleum Corporation/ participates as an equal member in our consortium, our cooperation with the state and all services of the Greek state is very satisfactory and at the same time we look forward to joint discovery of more petroleum for Greece."

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CSO: 3521/144

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